

JPRS-EER-91-031  
13 MARCH 1991

Foreign  
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A N N I V E R S A R Y  
1941 - 1991

# ***JPRS Report***

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## **East Europe**

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# East Europe

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## CONTENTS

13 March 1991

### POLITICAL

#### ALBANIA

Opposition Leader Gramoz Pashko Interviewed [Zagreb DANAS 12 Feb] .....	1
---	---

#### BULGARIA

'Bulgarian Business Party' Established .....	3
Finances, Goals [168 CHASA 22 Jan] .....	3
Leader Interviewed [168 CHASA 22 Jan] .....	4
Foreign Policy Positions of Parties Attacked [ZORA 22 Jan] .....	5
National Democratic Party Organ Criticizes Dogan [ZORA 22 Jan] .....	6

#### POLAND

Walesa Criticized on Pact Departure Statement [ZYCIE WARSZAWY 28 Jan] .....	8
Radio-TV Affairs Committee Dissolution Explained [ZYCIE WARSZAWY 28 Jan] .....	9
Current Status of Leftist Parties Examined [RZECZPOSPOLITA 5 Feb] .....	11
Minorities: Germans in Silesia, Poles in USSR [ZYCIE WARSZAWY 2-3 Feb] .....	13

#### YUGOSLAVIA

Tudjman Said To Have French Bodyguards [POLITIKA 20 Feb] .....	15
Army General on LC-MY Activities [VREME 25 Feb] .....	16
Minister for Serbian Diaspora Interviewed [POLITIKA 20 Feb] .....	18
Privileges for Kosovo Albanians in Croatia [POLITIKA 20 Feb] .....	19

### MILITARY

#### POLAND

Purchase of Foreign Equipment Questionable [RZECZPOSPOLITA 12-13 Jan] .....	21
Proposals for Improvement of Army Voiced [POLSKA ZBROJNA 14 Jan] .....	21
Possible Reduction of Military Service Time [ZYCIE WARSZAWY 30 Jan] .....	22

### ECONOMIC

#### BULGARIA

Analysis of Nuclear Energy Policy [168 CHASA 15 Jan] .....	24
Legal Aspects of Computer Marketing [168 CHASA 15 Jan] .....	25
Ignorance of Modern Agricultural Methods [DUMA 1 Feb] .....	26

#### CZECHOSLOVAKIA

Alternative Sources of Oil Discussed [RESPEKT 27 Jan] .....	28
---	----

#### HUNGARY

Official Examines 'Struggle' Over State Property [MAGYAR HIRLAP 14 Jan] .....	31
---	----

## POLAND

Assessment of 1990 Economic Developments [ZYCIE WARSZAWY 28 Jan] .....	33
Inflation Greater Than Initial Expectations [RZECZPOSPOLITA 5 Feb] .....	34
Liberal-Democratic Congress: Economic Program [GAZETA BANKOWA 20-26 Jan] .....	35
Voivodships With Delinquent Debts Listed [RZECZPOSPOLITA 12-13 Jan] .....	37
Regional Privatization Agencies Proposed [RZECZPOSPOLITA 14 Jan] .....	37
Rising Costs of Beef, Dairy Products Noted [RZECZPOSPOLITA 12-13 Jan] .....	38
Decrease in Food Product Consumption Noted [RZECZPOSPOLITA 5 Feb] .....	39
Ownership Transformation in Construction Slow [RZECZPOSPOLITA 5 Feb] .....	40
Telecommunications Development in Rural Areas [GAZETA BANKOWA 27 Jan] .....	41

## YUGOSLAVIA

Pregl on Government Budget Plans [VREME 25 Feb] .....	42
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## ALBANIA

### Opposition Leader Gramoz Pashko Interviewed

91BA0327A Zagreb DANAS in Serbo-Croatian  
12 Feb 91 pp 56-57

[Interview with Gramoz Pashko, leader of the Democratic Party in Albania, by Fahrudin Radoncic, DANAS special correspondent; place and date not given: "A Different Albania"]

[Text] Two months before the first multiparty elections are to be held in Albania, it can be said with certainty that the recently established Democratic Party will be the principal rival in the elections to Alia's Albanian Labor Party (APR). Albania's first opposition party sprang up after the fierce student rebellion in Tirana and has imposed itself with unexpected speed as a serious political force; thanks to a modern party image it hopes to win the preference of the voters and interrupt the continuity of the rigid rule of the APR, which has lasted several centuries [as published].

The party is headed at the moment by a trio of well-known intellectuals—Gramoz Pashko, Sali Berisha, and Azem Hajdini—and which of them becomes the party's first president depends on the outcome of elections within the party. To analysts of Albania's stormy political reality, it seems quite indicative in that respect that it was Gramoz Pashko, 36-year-old professor at the School of Economics of Tirana University, who some 10 days ago was given a very successful promotion in Hungary and Western Europe as a representative of the Democratic Party.

Pashko appears to be moderate and politically suggestive, and physically he seems a bit older than his years. He comes from a well-known family of intellectuals. His grandfather was a democratically oriented bishop, and his father an engineer.

[Radoncic] Is it possible that we have the pleasure today of speaking with the future president of Albania?

[Pashko] Thank you, but you should know the real reasons which have drawn me into Albania's democratic opposition movement. I am 36 years old, and I have been teaching for 13 years now in the School of Economics. I have always worked under the dictatorship, and I have never been able to teach my students about economics according to my own lights. This applies to my writing and scientific work as well. My sole goal is, when true democracy is established, to devote the rest of my life to the truth, to write about real economics, to devote myself to books and students. Those are the things about which I have been dreaming, not about being some figure in the government.

[Radoncic] What exactly does your party offer Albanians?

[Pashko] Our first programmatic and strategic goal is to create a pluralist society in Albania, which has lived the last 46 years under dictatorship and totalitarianism. That

is the most important thing being offered the Albanian people. Certainly other parties can also offer the same thing, including even communist parties like the APR, for example, but let the people make its own choice. Albanians have known the Albanian Labor Party for 46 years now, and our party only two months. If the people think that the Communists will enact authentic democracy after a rule of that kind and that length, let them choose them.

[Radoncic] What does the Democratic Party essentially have against the party in power?

[Pashko] There are several main points of criticism. In general terms, they have to do with the system that has ruled the country all these years. It is precisely for that reason that the party in power must for the first time show openness and readiness for critical reassessment and an attitude toward the mistakes which it has made, and state publicly how it now intends to correct all that. That is the most essential thing. Aside from that, we differ greatly from the party in power in the contents of our program. We want a market economy, a policy open to the rest of the world, especially with the Balkan countries. We want Albanians to have a constitution and laws that meet world standards. To be sure, the party in power is now trying to do something similar. But the manner and pace of its effort leave a great deal of room for the conclusion that it still does not have enough firmness and stability to go the course with its new commitments.

[Radoncic] Because you are the leader of an opposition party, it makes it all the more interesting to hear your opinion on whether Ramiz Alia is a true reformer.

[Pashko] If Alia had initiated the process of reforms two years ago, he might be spoken of as an Albanian Gorbachev. Then we perhaps could acknowledge that he was decisive a year ago, when after the fierce events in the spring he began to adopt the new reformist stance. However, during the middle of last year there was quite a bit of hesitation; it is not altogether clear what was behind it. It is difficult to determine whether this was his personal hesitation or a matter of pressures and the balance of power within the APR. Nevertheless, although we are in the opposition to him, we have to give him some credit. After all, at the moments most important to the destiny of democratic processes—and we are referring here above all to the large student rebellion and its immense proportions—the situation was not resolved in the manner of Tienanmen Square. He deserves particular credit for having recognized and accepted the demands of the students and intellectuals to establish a pluralist political system. Following that, he made certain moves which make him a debatable figure. For example, postponement of the elections occurred solely because of the great pressure of the opposition, and political prisoners were released under the pressure of opposition forces. In any case, Alia is a complicated figure. He deserves half the credit for the great changes taking place in Albania, while the other half should go to pressure put on the government.

[Radonicic] Will the Democratic Party call for reassessment of the role of Enver Hoxha?

[Pashko] Enver's figure is the main point of the entire political discussion today. There is no doubt that Enver deserves some credit, just as it is a fact that he was the leader of the liberation and antifascist movement. He also deserves credit for removing Albania from Yugoslav influence, and the separation from the Soviet bloc. But, and this is the most important, Enver was a man who used the dictatorship in a very harsh way. Personal goals were pursued through what was supposed to be class struggle. He isolated Albania from the world. He did the country immense harm through the importation of foreign ideologies. That degeneration did harm to the true spirit of the Albanian people. In addition, his economic policy brought Albania to its present level of underdevelopment, to disaster. Even if we wanted, we could not see such facts in a favorable light.

Today, it is said that all the communists are to blame for his mistakes. That is, Hoxha's personal mistakes are attributed collectively to the communists. But we favor a policy of national reconciliation, cooperation with all progressive political forces. But this certainly does not mean that we do not feel the desire or need to criticize the earlier mistakes. In any case, were we to take a different attitude toward them, they would inevitably recur. The people are ready to be patient and to forgive, but only if it is certain that the tragic mistakes will not recur.

[Radonicic] What is the economic program of the Democratic Party so that Albania will really take a notable step toward Europe and faster economic development?

[Pashko] I do not want to brag, but I think that Albania can enter that kind of Europe faster than Yugoslavia if it has a quality economic conception and if democracy is established. In saying that, I sincerely hope that the European economy will enter Albania very quickly. What is more, we need to realize that as a country, we do not have a foreign debt nor problems with inflation. We have important natural resources, all the conditions for offbeat tourism, and we are also located at the crossroads between North and South and between East and West. Central and southern Europe are interested in Albania's development, that is, countries—and this is quite important—which are already in the European Community. All those factors could have a large role for Albanian integration into European flows. But it is quite clear that in the end everything depends on us ourselves.

[Radonicic] Although there is obviously room for optimism, it would be interesting to learn how you foresee changing the collective mentality and work attitudes established by the socialist-realist and totalitarian system in Albania.

[Pashko] We have a very large number of young and educated people. We intend to begin privatizing the economy immediately. It is mandatory that we take advantage of the experience and learn from the mistakes of the other East European countries and Yugoslavia.

We certainly will not repeat their mistakes. In the economic turnaround and reforms, we still have an opportunity to move the center of gravity from rather capital-intensive industry toward a more labor-intensive industry. To be specific, we will attempt to develop the infrastructure, including restructuring rural life and agriculture (the rural population constitutes 62 percent of the total). But there is an indispensable precondition that is necessary for all that—democracy!

[Radonicic] What was the essence of your trip in the West, and who did you meet?

[Pashko] I met the prestigious politicians of Hungary, Austria, and France.... I also took part in a meeting of the European Democratic Union. I had occasion to speak with well-known European figures such as Monsieur Jacques Chirac. The purpose of the trip was to make the key commitments of the Democratic Party known to important European figures and the European public. There previously had been quite a bit of speculation about that in some of the press. This was especially evident because of the influence of chauvinistic Serbian circles, especially through the wire service TANJUG, whose tendentious reports were passed on even by certain Western wire services.

For that reason, but also because of the way that we were described by certain official Albanian emissaries in Europe, during this visit I felt myself to be subject to public judgment. European politicians, I am certain, will on their own figure out what the Democratic Party of Albania really wants. Nevertheless, I must say that the result of the visit, in my opinion, was far more favorable than I anticipated before I set off.

[Radonicic] In a portion of the Yugoslav press, there have been widely differing and controversial interpretations related to your meeting with Ibrahim Rugov in Zurich and the joint declaration signed there.

[Pashko] We know that that declaration evoked quite a bit of comment. Democracy presupposes the right of everyone to express his opinion, and it is up to the public to decide who is presenting the truth to it, and who is presenting falsehood. More precisely: The problem here is who will be deceived by manipulation and who will not? What a portion of the press wrote about that meeting with Rugov is just such an example. The meeting with Rugov was a meeting of brothers, of friends, it was a meeting which I will never forget. This is the first time that democratic political forces on both sides of the border separating Albanians have met and talked. The principal reason for the meeting was an exchange of information. We informed them about the condition and problems of Albanian society, and they informed us about how the situation has been developing in Kosovo.

We objectively occupy two completely different positions. Whereas we, as an integral part of Albania, are fighting for its democratic transformation, they are under the occupation of another state, which is what the

Serbian occupation is. That is, the political and other problems of the two sides are different. In that sense, our political cooperation aims at achieving the general democratic goal and at finding points in common on which we could work together. In the end, we belong to the same nationality.

[Radoncic] A segment of the Yugoslav public, we believe that the media have interpreted this correctly, is familiar with your views about Kosovo. Could we hear your position from the source?

[Pashko] My views and statements about Kosovo have always been clear, and I stick to them. We take the position, I am referring to the Democratic Party, that the Kosovo people, which is not a nationality, but a nation, has the right to self-determination. Second, we feel that the Kosovo issue must be resolved. Otherwise, there is no true peace in the Balkans, and without peace in the Balkans there cannot be European integration either. The Kosovo issue must have priority for all political circles in Europe. Incidentally, with respect to the common future of the two segments of the Albanian nationality, the time ahead of us must give the answer to that. That is difficult to discuss now. First of all, an answer to that question demands complete democratization of Albania and its inclusion in European processes. Also, it is indispensable that there be a true democratization of Yugoslavia, and together those events will bring about a situation so that that problem can be peacefully and naturally resolved within the framework of the Conference on European Security and Cooperation. That is also my personal view concerning Kosovo.

[Radoncic] Does this presuppose creation of a unified state of the Albanian people, or is this a conception in which Albanians would arrive at unity within the framework of the European unity that has been sketched out?

[Pashko] Within the framework of a unified Europe, of course. Only within the framework of that kind of Europe. But I said at the outset, all the rights of the Kosovo people to self-determination within Yugoslavia on what its future will be have to be recognized. The Albanian people in Kosovo has the right to self-determination.

[Radoncic] What tactics will the opposition use so that the changes which have begun—and there are such fears—do not turn into a tragic repetition of the Romanian anarchy?

[Pashko] The Romanian scenario and its possible repetition are precluded by Albanian reality. The use of the Army to bring down the dictatorship or establish a new one is outside all logic and political intelligence. That is impossible. Nevertheless, the danger of a Tienanmen Square is not altogether precluded. Although unacceptable, it does exist to some extent. There are those who might at any moment seize an opportunity for revenge, and the sinister forces are mainly among those who hold power today. That is why we are demanding depolitization of the Army, the police, and the judicial system.

That is a key factor in preventing repetition of the Romanian events. We are striving in every way to avoid anarchy and dangerous social tension and the escalation of extremisms based on it. Both on the right and also the left of the political spectrum. We have also been condemning and neutralizing extremists in our own ranks. We are cautious, and we are trying to keep the conflicts from calling forth forces which today, in the course of a single night, would like to bring down the government and everything that exists. It is not far from that to revenge and anarchy. We must peacefully arrive at national concord and reconciliation. Put simply, it would be unforgivable to repeat mistakes from the past.

[Radoncic] Experience teaches that there have been more or less obvious irregularities in the first multiparty elections in the Eastern countries. Is it your assessment that the minimum conditions exist for honest elections in Albania?

[Pashko] We hope that the elections will be honest. We are doing everything so that as many foreign observers and newsmen come as possible. We have learned something from the Romanian elections, and we will see how successful we are. We are aware of the possibility of all kinds of manipulation, and that is why we demanded changes in election procedure. What is more, we have our own representatives in all the election commissions, from the lowest to the highest level. There is also the well-known problem of the media blockade of the opposition. Specifically, if even a second-rank official of the ruling party goes to some town in Albania, this is covered at length. I traveled through Europe, I talked with prestigious figures, but Albanian television, for example, did not even take note of that. Also, we are being attacked every day in the media. But perhaps that is not all bad. In criticizing us, they improve our rating and do our advertising for us.

[Radoncic] About two months remain before the election. Do you dare to state your forecast of the election results?

[Pashko] I believe that the Democratic Party will get 60 percent of the vote. That is my estimate.

## BULGARIA

### 'Bulgarian Business Party' Established

#### Finances, Goals

91BA0283A Sofia 168 CHASA in Bulgarian 22 Jan 91  
p 15

[Article by Nora Stoichkova: "Finally, Bulgaria Has a Party Created With Its Own Funds"]

[Text] Businessmen will emphasize quality in politics. The chairman is a master of bridge. The Union for Economic Initiative of the Citizens will support the new party.

Disappointed by the "uncompromising populism" of the leader of the Bulgarian Business Bloc, businessmen gathered last Sunday in Veliko Turnovo to organize their own party. The old capital city was not chosen at random: It was here that the democratic process of the new Bulgaria was started.

After an hour of valiantly switching between serious and nonserious matters, the 87 founders, all of them owners of companies or lawyers, named the new unit the Bulgarian Business Party [BBP].

The main reason for the creation of the BBP, according to its founders, is the difference not only in terms of the ideas of the Business Bloc but also in the ways and means of achieving the main objective of the political group: defending the interests of private business. "It is not our intention to create a mass party or start traveling in towns and villages to recruit 1 million members," said Margarita Bogdanova, the spokesperson for the new party.

The founders define the BBP as a political organization of supporters of free initiative, who share the ideas of liberalism and economic democracy. The new business party will seek a place in the still vacant areas on the political stage.

Any Bulgarian citizen, provided he has not been "compromised as a member of a leading party or administrative structures" under the totalitarian regime, may join the party. Membership of those sentenced for crimes of a general nature is problematical. Such sentencing must have taken place at least 10 years ago. Racists or people who profess antidemocratic ideas are rejected as a matter of principle.

There was excitement in the hall when the amount of the membership dues was debated. Proposals ranged from the minimum wage for the country to the allowance of a high school student. What prevailed was the formula of 10 leva monthly and 50 leva initial dues. The sum will be indexed at the proper time.

According to the bylaws, the members of the leading organs of the party will be paid for their work. However, the money will not come from membership dues, as has been the widespread practice so far. Rather, the opposite: The local organizations will be helped by the center.

The election of the leaders of the party was based on competition and secret balloting. Jurist Aleksandur Cherpokov convincingly won the position of chairman of the new party, despite the "dark spots" on his biography, on which he quite openly shed light—some 16 years of party membership as a rank-and-file member of the BCP [Bulgarian Communist Party], and several years of work as an investigator of economic crimes for the MVR [Ministry of Internal Affairs]. "In no case could I be attacked as could be the 70 nonidentified deputies with records," Cherpokov said. The only thing the chairman did not mention is that he is a master in bridge.

During the annoying intermission needed to count the votes, while some of those present were generously helping themselves to sandwiches and coffee and the Iskra folklore ensemble was performing lively dances, the more impatient hastily set up the first regional organization—the one in Sevlievo. The Paskalev Company made an immediate contribution of 100 leva on this occasion.

Valentin Mollov, who was a guest of the congress, said that he was pleased with developments. "I think this is a party that will truly defend the interests of private business. The Union of Citizens' Economic Initiative will back the new party. This will include material aid," he said.

In terms of the political system, the business party is defined as "one of the few serious opposition parties." "The SDS [Union of Democratic Forces], which categorically supports a change in the system, has our sympathy. However, the BSP [Bulgarian Socialist Party], as well, is speaking of change. We, however, shall try to find our place within this somewhat strange parallel," said Aleksandur Cherpokov, BBP chairman.

#### Leader Interviewed

91BA0283B Sofia 168 CHASA in Bulgarian 22 Jan 91  
p 15

[Interview with Aleksandur Cherpokov, BBP [Bulgarian Business Party] chairman, by Danka Vasileva; place and date not given: "The BBP Chose Classical Economics"]

[Text] [Vasileva] Mr. Cherpokov, your platform is based on private ownership and free initiative. Are you convinced, however, that capitalism is the best sociopolitical and economic model?

[Cherpokov] I would rather not talk about models that end in "isms." I am more interested in the pragmatic tasks that face Bulgaria today and the direction we must follow.

We are a country with a totally state-owned economy, in which the private sector has been eliminated. That is why we need the type of specific changes people would describe as "capitalism." This is the direction in which we must concentrate our efforts. Pure capitalism, without any populist embellishments. It would be senseless to try to make a man out of a baby immediately. We must go through the natural phases of childhood, adolescence, and youth, after which the baby will become a mature man, according to the way we shape it.

[Vasileva] What is your attitude toward social democracy, socialism, and even communism?

[Cherpokov] I value their humane content. However, in the coming decades, Bulgaria will have to develop capitalism if it wishes to advance, or, more accurately, it should give capitalism the opportunity to do so because a normal economy is not "built" but grows by itself, like a living organism. When we have a normal economy—

call it "capitalism"—we shall be able to provide social guarantees much more successfully.

[Vasileva] Are the Bulgarian people ready for such ideas on the sociopsychological level?

[Cherpokov] Unfortunately, populist moods continue to prevail in our country, along with a philosophy of poverty. Many politicians proclaim themselves in favor of private business, but, in practice, we keep encountering a hostile, I would say an "anticapitalist," propaganda. Our task will be exceptionally difficult.

[Vasileva] How do you conceive the democratization of our society? The name of your party does not include the word "democracy."

[Cherpokov] No political freedom is possible without guaranteed freedom of initiative. We believe that it is precisely private property that is the foundation of democracy.

Our ambition is to work consistently, patiently, and quietly to lay such a foundation. This is the long way to true and lasting democracy. Unfortunately, no other way exists.

As for the name of the party, we limited ourselves to unquestionable definitive words, and the result was the Bulgarian Business Party. Let political experts, historians, or philosophers criticize it and define it as they wish, for which we thank them in advance.

[Vasileva] What form of state system would be most suitable for the development of capitalism in Bulgaria?

[Cherpokov] From the viewpoint of pragmatic realism, Bulgaria needs a sensible and moderate form of governmental administration—what kind precisely, based on today's catastrophic economic realities, makes this a rather complex topic.

It seems to me that the question of the form of state management in Bulgaria should not be formulated for discussion so sharply and directly at this time because some politicians, guided by their convictions and, sometimes, their emotional biases, may be enticed to provide excessively categorical answers.

[Vasileva] But the elections are approaching....

[Cherpokov] We are too close to them to be able to solve such a problem.

[Vasileva] The elections will once again put on the agenda the question of the separation of powers. What is your view?

[Cherpokov] A clear separation of powers is mandatory. I think that there are four powers and not three, as stipulate the main theories of state administration. To the legislative, executive, and judicial, I would add the political.

I am convinced that we cannot do without "pure" politicians, at least in Bulgaria's case, at this point. If this view

is shared, things would fall into their proper places: deputies in parliament, ministers in ministries, and judges in courts, at least within the limits of a single term.

I am not optimistic about the possibilities of a single person, however talented and energetic he may be, to go from one institution to another, to deliver propaganda speeches in parliament, where they are clearly out of place, or to make laws that, literally on the following day, he would have to apply as a minister or, which is entirely paradoxical, to govern according to laws against which he voted only a few hours earlier.

[Vasileva] Will you take part in the coming elections?

[Cherpokov] If the situation develops in such a way that I remain chairman of the BBP [Bulgarian Business Party] until the elections, I would be a candidate for people's representative only if the party congress or its leading authorities mandate it, and then refuse to accept my resignation. Naturally, the BBP has a sufficient number of other worthy candidates.

[Vasileva] Do you believe that you will exceed the 4-percent limit?

[Cherpokov] If the BBP does not exceed the limit, it means that the time to do so has not arrived. That may be all to the good. Who knows? Perhaps at subsequent elections a situation may develop in which the BBP and other parties with similar platforms could exceed even the 50-percent limit.

[Vasileva] Do you wish to distance yourself from anything?

[Cherpokov] There is no need for that. Anyone who wishes would put distance between him and us by himself. I thank my opponents for any errors I may have made that have been ignored, as well as those I may make.

I hope my answers will be quite clear to the ordinary people because they are for us. I cannot debate theoreticians in the various scientific subjects. For that purpose, the BBP leadership has a large number of good specialists, and we shall attract other as well.

As for the political opponents of the BBP, I lay no claim, as some of them do, to any high scientific competence in absolutely all areas of social life.

#### Foreign Policy Positions of Parties Attacked *91BA0282A Sofia ZORA in Bulgarian 22 Jan 91 p 8*

[Article by Ivan Ivanov: "What Does the Way to Europe Go Through?"]

[Text] On 8 January, DEMOKRATSIYA solemnly proclaimed that Mr. Zhelyu Zhelev firmly believes the way to Europe is through Washington.

As we know, Akhmed Dogan believes that the way to Europe goes through the Bosphorus.



The BSP [Bulgarian Socialist Party] still believes, without admitting it publicly, that the way to Europe goes through Moscow.

Given all these views, I cannot forget yet another view of a noted French historian, who studied our history in the past. His view is that Bulgarian politicians in our most recent history have made a unique contribution to global political thinking. They are the only ones in Europe and the world who create problems for the sake of resolving them later.

What is indeed strange, first of all, is the very desire to get to Europe. For the past 14 centuries, we have been a part of Europe, and no one in Europe has ever disputed that fact.

Second, it is unclear why, if, nonetheless, we should get to Europe, we should do this through Washington, the Bosphorus, or Moscow. Given the current gasoline shortage, is this not an unnecessary waste of it? The direct way to Europe, both literally and metaphorically, is well known, and circuitous roads are unnecessary.

It should be clear to us that the United States owes the rest of the world \$543 billion. In terms of percentages (as compared to the size of the population), this is twice the size of the notorious Bulgarian foreign debt.

For that, as well as for geopolitical reasons, the United States has absolutely no intention of helping (Bulgaria economically and politically). The corn that was apparently already on its way to Bulgaria while Mr. Zhelev was in the United States has still not started its travel, and who knows whether it will at all. If it does, we shall have to pay \$3.5 million for its transportation, as demanded by the Americans.

Nor do we see the Saudi petroleum promised in Washington. There is a plan, however, that originated precisely there, concerning the Black Sea economic zone. Its practical implementation would mean selling one-half of Bulgaria to Turkey, and we can only agree with architect Khristo Genchev that, with this act, the United States is paying Turkey for its 45 years of loyalty and is ensuring the same type of loyalty for many years into the future. But let those who are sending us to Europe by circuitous roads not forget something else that architect Genchev wrote—namely, that it is quite improbable, after two to three years, for some people to be tried for state treason. The struggle waged by some contemporary political leaders against totalitarianism cannot become an indulgence for their incompetence in state affairs and, hence, their subconscious treason.

**National Democratic Party Organ Criticizes Dogan**  
*91BA0281A Sofia ZORA in Bulgarian 22 Jan 91 pp 6-7*

[Article by Dobromir Zadgorski: "Illegal Son of Compromise; Attempt at Drawing a Political Portrait of Akhmed Dogan"]

[Text] Akhmed Dogan does not claim to be a descendant of prophets. Generally speaking, he is not particularly

religious. He may be right, knowing the official biography of Nedyu Gendchev (now Nedim Ibrakhim Khafuz Gendzhev), the chief mufti, who, let me briefly point out, was a captain in the notorious Sixth Department of the State Security, which, consequently, identifies him as an individual who was not particularly pleasing to Allah!

Akhmed Akhmedov was born in Drundar Village, Varna Okrug, in 1955. His father was a Kuzulbash Tatar and his mother a member of a group of our population that defined itself as "ethnic Turk." Akhmed was a good student and, although to this day the Bulgarian language he speaks bears permanent dialectical features, this did not prevent him from graduating in philosophy at Sofia University or defending his thesis. Thanks to his intellect, he rose in the brittle and eclectic structures of the "Turkish" intelligentsia in Bulgaria, which was deliberately favored by the Communists. He developed within himself not only a unique psychological motivation for leadership but also a particular Turanian system of values, consistent with the realities of the present. These are realities within which he shows up as a leader who can formulate strategy. To the rank-and-file DPS [Movement for Rights and Freedoms] members, he is simply Akhmed. However, this is not a sign of familiarity because the leadership provided by Dogan is unique, as is his capacity for work. This leadership predetermines the iron, the almost military discipline, of the branches of the DPS. Within it, Akhmed Dogan always has the final word, from general line to technical details. This also explains why Akhmed Akhmedov did not regain his old name but adopted, in the spirit of the "good" Turkish tradition, the name "Dogan." In Turkish, Dogan means "eagle." The Turkic peoples revere the symbol of these predatory birds, considering it conducive to power. We find here a spiritual-historical consideration that is also socially accurate: It is only a falcon, an eagle, or, in an extreme case, a *bozkurt* (gray wolf) that can be a leader. Furthermore, how can we forget that Mustafa Kemal called himself "Ataturk," or father of the Turks?

Unlike other Bulgarian politicians, Dogan is modestly silent about his private life. He does not show it off. Nonetheless, it helps to know that he lives without the benefit of marriage with a Bulgarian woman in a block in the Slatina District in Sofia. They have a son. I am reporting these intimate details not because of a passion for gossip and for digging into details. This information is needed so that we can see the double nature of the man who claims to lead us like a herd of sheep, via the Bosphorus and the Golden Horn, "toward Europe." This, however, is no longer a personal matter for the "falcon."

### The Son of Many Fathers

This phenomenon, known as Bulgarian political reality, slowly for Dogan himself but amazingly rapidly for the rest of us, transformed the former leader of anticonstitutional

organizations, which I shall list, according to the chronology of their name changes, as "Turkish Hand," "Turkish National Liberation Movement in Bulgaria," "Movement for the Rights and Freedoms of Muslims and Turks in Bulgaria," and "Movement for Rights and Freedoms," into a leader of national, albeit ethnic, scale. In that sense, Dogan was raised as the son of many fathers. It would be a rather doubtful and futile task to determine today who among them deserves the real "historical credit" for his controversial appearance in our society, and who merely added some insignificant details.

The Communists and, regrettably, some of the then opposition in the country, represented by the SDS [Union of Democratic Forces], formulated a de facto, conflicting, and inconsistent national policy, adopted by the DPS. Willy-nilly, they had to take part in Dogan's political growth. Loyal to their demagogic nature, the Communists abolished, in one fell swoop, the "restoration process" that, with insane persistence, they had been imposing earlier for a full four years. They eliminated it, cynically hoping to have the vote of the Muslims in the elections. In turn, the SDS neglected the mood of the Bulgarians in areas with a mixed population, as well as their interests. Misled by its unoriented cosmopolitan nature, it hastened to assume the role of "camp follower," also in the expectation of earning electoral dividends. In this case, both the BSP and the SDS were outbidding each other in swearing their support of national ideals.

However, the common offspring of these two political giants—Akhmed Dogan—was able, if only for a short time, to step on their backs in order to have a successful start toward the only idea to which he has always been loyal—Turanianism, under the sign of the crescent—because most of the ethnoreligious electorate of the DPS voted for Dogan, thus issuing a warning to the BSP and disappointing the SDS. After the elections, both political groups faced the sad new reality: the noticeable parliamentary presence of the "gray wolves." However, this did not stop them from flirting with the illegitimate and anticonstitutional movement, for the sake of their own purposes, in the Grand National Assembly, as well. How could they do otherwise, when it was precisely the Communists who had registered the DPS as a party, despite the constitutional prohibitions, while the SDS, with its silence, blessed this registration?

#### The Tactician and His Fellow Workers

Against the background of the uncompromising struggle for power, which has been waged for the past six months in the parliament, Dogan, displaying intelligence and patience, and, above all, with moderate statements, achieved whatever he wanted. Throughout that time, while the shrill clowning of a large percentage of people's representatives was wrecking their efforts to create a good image, and after the rate of approval of the deputies dropped to the fatal 13 percent, he took the floor on only three occasions. However, this was sufficient to enable him to weave his legal basket of amendments to the

notorious Law on Names, and for the DPS to impose their acceptance with no particular difficulty.

The passage and adoption of this law was an unparalleled act of national treason that sooner or later will be condemned by history because the degrading servility and helplessness of the deputies, who voted for the amendments, constituted an unparalleled provocation of our people, who had voted them members of parliament.

True to his oriental cleverness and sense of defeat, Dogan indeed retreated at the 12th hour of his demand for an official formation of a DPS parliamentary faction. One way or another, however, it exists de facto and is actively supported by the entire Turkophile lobby, the most zealous leaders of which are Yanko Yankov, Lea Koen, Anzhel Vagenshtayn, Petur Staykov, and Manush Romanov. As one can see, those are quite different people but nonetheless loyal to their Turkish nature, to the "ana vatan" (the mother homeland) on the other side of the Bosphorus. Nor should we ignore at this point Mr. Dimitur Ludzhev, who, together with Mikhail Ivanov, the open "supporter" of Ankara, is the chief architect of the irrational pro-Turkish orientation of the Presidency. Adding docent Kertikov, the "secret" supporter of Zhivkov, the picture becomes complete.

Also remarkable are Dogan's actions in the deployment of his own leading team within the DPS, starting in May 1990. By eliminating, on the eve of the elections, one of his most capable deputies, Yenal Bekir, he was warning anyone who imagined that he could do his own thinking, not to have any illusions. Later, in a rather peculiar way, he dismissed from the ranks of his parliamentary group his deputy, Adem Kenan, accusing him of being a Turkish nationalist. This decision was ratified by the DPS national conference, which even expelled that individual from its ranks. The major problem remained, however: Could it be that the omniscient Dogan did not know that Adem Kenan, a person with a primary education, whose main verbal pearl is the expression "as Kenan Evren says" and who woke up and went to bed wrapped in the flag of the crescent, is an extreme Turkish nationalist? And, if he knew it, why did he bless his candidacy? The answer is simple: The herd is like the shepherd. The sop for those who are naive enough, which was tossed at us with the removal of Kenan, was aimed at misleading public opinion, which had become wary of the excessive claims of the DPS in our country. However, this did not make the situation calmer but rather achieved the opposite. Something else is also paradoxical. After having sworn for months on end that the hated "Plamen Simov," "Levski's descendant," was his right hand, Dogan did not hesitate to remove him from the leadership of the movement, without explanation. The same fate befell the only person displaying a European intellect, education, and culture in the leadership of the DPS, Miroslav Durmov. It was thus that, all of a sudden, it became clear that, having used the Bulgarians within his own staff as a blocking shield for his political and social demagoguery, Dogan abandoned them. Let us hope that this small lesson, which I would describe as the

dialectics of unfulfilled defection, would lead them to draw the right conclusions. Otherwise, the only one who is "eternally" at the side of the "falcon" is none other than the notorious Islamized member of the Zhivkov *nomenklatura*, the official "fighter" for human rights and the ear of an unknown number of intelligence services, Yuliy Bakhnev. Well, I wish him luck! Because, by virtue of his past alone and his Bulgarian-influenced Russian language, as a trainee in the "remarkable" Grisha Filipov school, he is already working against the questionable reputation of the DPS.

### Automythology and Consultants

The moment he was released from jail, where he was serving a sentence for founding a terrorist organization, in December 1989, Dogan began to build up the mythology of his own persona. Ignoring some of the most influential figures in the Muslim population, who opposed the change of names, he quickly made himself "an active fighter" against the totalitarian regime. The times were such as to contribute to free folklore fabrications. Given those circumstances, Dogan proclaimed himself a personality almost on the mafia-boss level, stating that he personally had led, from jail, the May protests of the Muslims in 1989, and that the government had not dared to try him publicly once again because this might have led to an uprising, and so on. At first, his fantasies impressed only the naive, illiterate people. Of late, however, their number has been reduced substantially. People who rejected Dogan's claims of being the leader of all Muslims in Bulgaria appeared on the scene. Thus, for example, the Alev Educational Society, which was organized in Varna, is a thorn in his side because it distanced itself from the DPS and rejected Dogan as its supreme leader. Meanwhile, Mustafa Yumer, the leader of the Democratic League, bluntly accused him of being a fake and of lacking the merits he ascribes to himself. One could believe Yumer because he was a person who was most severely persecuted in connection with the "revival process."

To counter the effect of these two organizations, without even trying to act behind the scenes, Dogan created his puppet Bulgarian-Turkish Friendship Society. I shall not discuss this renegade abortion or the handful of collaborationists within it, cheaply bought with Dogan's cash. Let me merely mention that it is headed by Klavdiya Zaimova, whose father, General Vladimir Zaimov, loyally served the Stalinist Soviet Union, betraying Bulgarian interests. The people, however, are unfailing in their generosity: The fruit does not fall far from the tree!

Whenever convenient, Dogan goes to the Turkish Embassy for instructions. Ambassador Oral, who is in the habit of frequently complaining that ZORA is pursuing an "anti-Turkish" policy, does not miss the opportunity to exchange thoughts with "the falcon." The demands of the DPS are multiplying. A religious school already exists in Sofia. Thousands of mosques are holding services. In schools in mixed districts, Bulgarian teachers are being persecuted, and the Turkish language

is being taught (although in its ancient and heavily Bulgarian-inflected aspect). It is expected that the newspaper PRAVA I SVOBODI [Rights and Freedoms] will come out any day now. Demand has been raised for a television channel and a radio station. Let us not even mention the notorious Turkish trap of having a "Black Sea economic zone."

Of late, thanks to the parliamentary commission on files, the structure of the notorious Sixth Directorate became known. It would be normal, if we are taking so many oaths about being loyal to democracy, to declassify the documents of its Fourth Department, the one that dealt with Muslim-Turkish nationalists, so that one could see who is what among Dogan's current deputies! The same applies to the archives of the department of the struggle against terrorism because it would be much more important and useful to peek at these documents than to look at the cells of the UBO [Security and Protection Office].

Time will reveal the dimensions of the Akhmed Dogan phenomenon, of this person who tries to dress elegantly and is able to stay in the shadows, who speaks slowly and softly in parliament and in the halls of parliament, who is the banner of Turkish expansionist economic and social policy and claims toward us and a pillar of separatism within our country, a person who must not be underestimated and who cannot be easily assessed. His unquestionable leadership qualities would have been welcome had it not been a question of the most destructive political group in Bulgaria, for which reason he is a great warning to us all.

### POLAND

#### Walesa Criticized on Pact Departure Statement

91EP0271A Warsaw ZYCIE WARSZAWY in Polish  
28 Jan 91 p 3

[Article by Karol Modzelewski: "A Mistake"]

[Text] Lech Walesa treated quite lightly the proposal of Vaclav Havel that Poland, Czechoslovakia, and Hungary, in conjunction with the events in the Baltic Republics, should consider a joint resignation from the Warsaw Pact. From the televised words of the President of the Polish Republic, it seems that he considers remaining in the Warsaw Pact as a somewhat inconvenient formality that does not expose us to any specific danger at present while resignation from the Pact, as an empty demonstration, would bring about a threatening tension in relations with the USSR.

The powers of the President of the Republic were agreed on at the roundtable, that, at the time, had Wojciech Jaruzelski in mind as being, in the eyes of the Kremlin, a credible guarantee of respect for the interests of the USSR in Poland. In keeping with this role, the amended constitution entrusts the president with primary supervision over defense and internal security, as well as the nation's foreign policy, making him specifically a

guardian of alliance responsibilities. The statement of Lech Walesa pertains to a matter that is at the very center of his constitutional authority. In a democratic country, however, the accuracy or error in evaluations and decisions of a president are subject to discussion and public judgment.

I agree with Lech Walesa that the authorities of the Republic should not treat our country's belonging to the Warsaw Pact as material for political demonstration. However strong our feelings of solidarity with the people of Lithuania, Latvia, and Estonia may be, this matter must be resolved from the point of view of the national security of Poland. I believe, however, that specifically from this point of view, the opinion expressed by Lech Walesa is mistaken. It is my opinion that he does not properly regard the danger that remaining in the Warsaw Pact may present to Poland in the future and that, on the other hand, he overestimates the danger now connected with resigning from this Pact.

Applying force against the Baltic republics is most likely only the first act in an attempt to prevent the disintegration of the USSR by military force. The Soviet Army's suppression of the aspirations of Lithuania, Latvia, and Estonia toward independence will not be enough to accomplish that. Moreover, it is difficult to imagine an effective pacification of those three republics without dealing with the independent social and national movements as well as with the newly elected parliaments and governments in other Soviet republics with Russia at the head. The Soviet military state begins in Vilnius, but it certainly will have to reach Moscow.

It is more than doubtful that this operation could end in a lasting success. If, however, it arrests the process of disintegration of the empire for a few years, then a transitional consolidation will occur under the slogans of the nationalism of a great power that will also mark the direction of USSR foreign policy. We might fear that immediately after bringing about domestic order, the Soviet generals will want to regain their lost positions in Eastern Europe. Poland, Czechoslovakia, and Hungary will then find themselves in the front line of the threat.

We will not be able to defend ourselves against Soviet military pressure with our own forces. Our security will demand a guarantee of international solidarity. The attitude of the NATO countries will play a very real role. From this point of view, whether we will then be in the Warsaw Pact is not at all immaterial, and therefore neither will Soviet interference in Poland, Czechoslovakia, or Hungary be treated as a matter between countries that are members of that Pact. Today, when Soviet generals have enough to do in the Soviet republics, we still maintain freedom of movement; in agreement with our neighbors, we can perhaps leave the Warsaw Pact without great risk sooner than we thought. In the future, when the USSR tries again to dominate us, it may be too late to leave the Pact. I am not saying that we must immediately make a decision to go along with Czechoslovakia's proposal. I am saying, however, that the

helmsmen of our foreign policy, especially the president, must treat this proposal very seriously and make it the subject of a tripartite discussion. Underestimating this matter is underestimating the security of Poland, and therefore, worse than a sin; it is a mistake.

We must consider the time of parliamentary elections from this same point of view. On the face of it, this is an exclusively internal matter. There is no doubt that it is easier to extend the power of the Belvedere as long as the Sejm sits on Wiejska [Street] that was locked in, and not freely elected. It is also clear that just such a Sejm would be inclined to be submissive to the president if only to ensure itself a somewhat longer term. Lech Walesa knows very well, however, that the United Peasant Party and Democratic Party left the coalition with the Polish United Workers Party when that Party was no longer supported by an outside force. What will these same deputies do if the shadow of this force once again falls on Poland? We are slowly forgetting that the former "coalition-government faction" still has its 65 percent of the seats.

Shots in Vilnius and Riga should refresh our memory. The international situation that is exceptionally advantageous for Poland is coming to an end. We must establish Polish democracy firmly before anyone can use the remnants of the old order to rebuild foreign domination. Postponing parliamentary elections is perhaps convenient for the Belvedere camp's game to concentrate power, but it is dangerous for Poland.

#### **Radio-TV Affairs Committee Dissolution Explained**

91EP0271B Warsaw ZYCIE WARSZAWY in Polish  
28 Jan 91 pp 1, 3

[Interview with Marian Terlecki, chairman of Radio and Television Affairs Committee, by Joanna Stepien; place and date not given: "The Day of the Pragmatists"]

[Text] [Stepien] Not too long ago as chief of Gdansk television, you seemed to be dissatisfied by the great administrative responsibilities and by the lack of time for your own literary and film creativity. Your appointment as chairman of the Radio Committee multiplies these responsibilities, so why did you accept this appointment?

[Terlecki] A year ago, when after a break of several years, I returned to Gdansk television, I hoped that I would be able to change a great deal in it rapidly. My plans succeeded to a degree, especially in the area of programming. Much effort, however, went for nothing. In the end, I understood that without a basic, bold reform of the whole structure of the Radio Committee, all individual attempts at restructuring simply have no chance. The monopolistic, centralized system which to all practical purposes incapacitates all centers outside Warsaw makes this impossible. At the same time, I really felt discouraged and close to resigning from working in television. All the more so since we, the directors of so-called regional centers, did not hold out much

promise for ourselves from the television reform proposed at the time by the government. In our opinion, its proposals paid somewhat slight attention to the interests and requirements of the centers. They did not guarantee any great changes in the anachronistic structure of the Radio Committee. I accepted the appointment as president of the Radio Committee when I learned that Jan Krzysztof Bielecki was appointed prime minister. We have known each other for a long time, I esteem him as a pragmatist and believe in his support, especially in the necessary economic changes in television.

[Stepien] Now you have almost unlimited potential for action.

[Terlecki] Certainly I am now in a position to do much more than I was as a director of one of the centers. I consider this as possibly a transitional, but necessary task. I believe that without reform in television, and changes in its informational policy, changes in Poland will become impossible.

[Stepien] So you undertook a backbreaking job.

[Terlecki] I don't believe that it will be backbreaking. Actually, it is difficult, but it is also interesting. Change in such a huge institution and bringing it to normalcy and to a Western level cannot but be interesting. I think that we have all that is needed for approaching the model that was tested and proven there. Obviously, I have in mind the examples of public television that fulfill specific informational, civic, educational, and cultural functions. I have come to know them quite well thanks to having been in France, Germany, and the U.S.

[Stepien] Does what you found in Warsaw coincide with your earlier knowledge of the shape and functioning of the Radio Committee?

[Terlecki] Now I understand that the anachronistic structure resided nowhere else, but in that one skyscraper on Woronicz Street. That is where the basic cause of the ossification of the whole institution was hiding. The office of the Committee for Radio and Television, completely overwhelming the television and radio enterprise itself, was not interested in any reforms. The dominant inertia and organizational torpor was also responsible for this. Too, there was the usual fear of all changes, concern for self-preservation and privileges. Frankly speaking, the people working in the office were, on the whole, earning significantly more than people working directly in production.

[Stepien] In filling the new position, did you have a developed plan for reorganizing the Radio Committee?

[Terlecki] Yes. In this reorganization, I am guided by my earlier conclusions. I am also taking into account the main principles of the projected regulations on Polish Television (TVP) that were proposed in the Sejm several months ago. I developed this together with the then deputy Bielecki and colleagues of television centers

outside Warsaw. Some of them, Barbara Trzeciak-Pietkiewicz from Wroclaw and Marek Markiewicz from Lodz, are in the advisory group that is helping me now. The projected regulations stipulated the independence of television specifically by establishing a National Radio Communication and Television Council, a sovereign and professional body appointed by the Sejm, the Senate, and the President. The council would have nothing in common with the state administration. It would be made up of professionals who would be excluded from being state workers. They would be authorized, for example, to issue permits for new stations and to nominate a chairman for public television. Obviously, we must remember that the Sejm will decide the final form of Polish television. At the same time, in the present reorganization of the Radio Committee, I count heavily on cooperation of TVP personnel. I spoke about this at my first meeting with the workers.

[Stepien] To what extent are you taking into account the experience of reform groups that have been acting in television during the past year? I am thinking primarily of the work of the Karol Jakubowicz commission.

[Terlecki] In Warsaw, I found a number of very wise and interesting studies on the subject of reform in television and radio. However, these are most often plans on paper, theoretical, giving somewhat slight consideration to economic, technical or simply human conditions. For this reason, I believe that the view of a pragmatist is indispensable here. Devoid of emotion, practical. This is what I would especially like.

[Stepien] What will be the stages of reorganizing the Radio Committee?

[Terlecki] The first will involve changes in the Office of the Committee for Radio and Television. The second, the creation of legal conditions for changes in the basic organization of radio and television. Only after this do I envision changes in both structure and personnel. This stage will certainly be exceptionally difficult. Here we will want to ask the assistance of a specialist from the USA who will oversee the realization of the reform in specific segments.

[Stepien] In the well-known planned regulation on television signed by directors of regional centers, the status of both [television] channels has been defined differently than before. Channel One would remain a state channel, but Channel Two would be a federation of legally and economically sovereign centers subject to local self-rule. This would certainly be an interesting and bold solution, but doesn't its radicalism seem premature to you?

[Terlecki] In an earlier plan by the [regional] centers, there was actually mention of a federation formula for Channel Two. I believe, however, and I am not alone in this opinion, that this idea would not pass the test today. The centers must secure legal and financial independence. They must make their presence in Channel Two felt more strongly in fair rivalry with Warsaw, but within the framework of a Polandwide program. This does not

mean that we are definitively giving up the earlier, as you called them, radical plans. We will move toward them gradually, remembering that at present the centers are not adequately prepared to produce their own day-long program. I am not thinking here of technical possibilities, but also of quality. The near time will be something in the nature of a stock market in which the individual centers will demonstrate what they can do. Obviously, changes in Channel Two will not happen instantaneously. We have respect for the habits of viewers and will aim only toward having the better, more worthwhile positions displace the weaker.

[Stepien] Why then were such radical requirements formulated if you were aware of the present limited potentials of the production centers?

[Terlecki] The radicalism of our plan was a considered move because it stood in opposition to the very moderate proposals of the government. It is clear that we counted on some kind of compromise.

[Stepien] Pragmatism again?

[Terlecki] I already said that this is an attitude that I like very much.

[Stepien] The beginning of your chairmanship was accompanied by a broad coverage in the press of the conflict with the directors of "Wiadomosci" [main evening news program]. For many people, this did not come as such a surprise; even during your Gdansk period, you were critical of the informational model that was prevalent in TVP.

[Terlecki] Approaching this organization, I knew that I could not do very much without the help of others. I also knew that each reform activity would rouse controversy and strong opposition of those who were secure and well off under the old structures and arrangements. Therefore I looked for allies. For this reason, good relations with the Administration of Informational Programs and with Jacek Snopkiewicz were very important to me. On the other hand, however, I also recognized the differences in our way of thinking, including thinking on the subject of the structure of the Office for Informational Programs. The danger of propagandizing is written into this very monopolistic structure. Meanwhile, I decidedly favor television that is independent and pluralistic, and competitiveness of informational programs within the framework of broader competition, and not complementarity of the two channels. It seems to me that "Wiadomosci," despite many efforts, has not succeeded in moving away from the newspaper model that prevailed in TVP during the 1970's. This failure is not the result of ill will, but it is the result of the faulty structure of the Office for Informational Programs, a poor organization of the work, and...certain habits. Young people are free of these, and it is now time to give them a chance. Putting a young group into old ruts makes no sense. We will begin with a change in structures.

[Stepien] I have the impression that you place your conflict with the administration of "Wiadomosci" on a generational plane.

[Terlecki] In a certain sense. Actually we represent different generations. I would not want to offend anyone, but I believe that that generation, even in battling for certain values, grew out of a situation in which the game was an indispensable element—with the political structure, with the system, with the specific opponents. This is entirely foreign to me. I was brought up in completely different traditions; I grew to maturity in other times. Because of my age, I am free of the ballast characteristic for fifty year olds. Moreover, I simply do not understand a certain matter. First, the people at "Wiadomosci" present information on my case that is not very complete, then on that basis they "create an affair." As a result of this affair, they resign. When the resignation is accepted, they "create an affair" that is even bigger. I admit that here, too, I see an element of the game.

[Stepien] Returning to television reform.... A prominent subject recently has been its unfavorable financial situation and the influence, aside from the budget, of advertisements and sponsoring.

[Terlecki] The debt that we found in TVP was substantial, it exceeded 130 billion zlotys. I think, however, that television has a chance of overcoming its problems quite quickly. Let us note that it continues to be monopolistic in practice and has significant income from subscribers; in addition, it can also profit from advertising and various services, obviously when it sets its system in order. In a year, we should—with the good will of the Sejm and the government—restore its economic well-being. I have already noted that changes in television are, in my opinion, one of the basic conditions for the success of economic reform in Poland. Thus far, television has not sufficiently reflected the processes that are occurring in our country in this area. Appropriate educational programs have not been developed, there was a lack of publicity presentations in libraries and explanations to the public of the movements and intentions of the government. Everything remained in the sphere of theory and scholarly discussions. We will think and, most important, act otherwise. The time of the pragmatists has come.

#### Current Status of Leftist Parties Examined

91EP0277A Warsaw RZECZPOSPOLITA in Polish  
5 Feb 91 pp 1-2

[Article by Jakub Borowski: "The Left Today"]

[Text] Despite the aversion to the left and to the word itself, linked frequently with the Polish United Workers Party, despite the conviction sometimes expressed that the left is an anachronistic formation, there are people in Poland who admit to being leftist and predict a successful future for the left. RZECZPOSPOLITA asked

them to define the left and to speak about its future and what they believe about their own leftism and that of others.

### **The Left—Attempts at Definition**

Adrian Stankowski, spokesman for the Polish Socialist Party [PPS], described the left and socialism as a method of humanizing public life. This would mean that in a "permanent and unavoidable" conflict between employers and employees, the party would take the side of the workers. This goal does not exhaust the program of the PPS, which recognizes that sovereignty of the state and its democratic structure is a condition for the development of the left. As the PPS understands it, socialism is not a system, but a certain form that best supports balance in a situation of arising conflicts. The PPS is for a market economy, for an economy that yields profits. It does not, however, treat the market system as a goal in itself. It recognizes the play of the market as a method for improving the economy, but it is far from excluding interventionism.

For Włodzimierz Bratkowski from the Group for Worker Self-Rule [GSR], the left is that group that "expresses the interests of the workers."

Piotr Marciniak, an activist of Labor Solidarity, said that his party would like to present itself as the modern left. Instead of promising the realization of illusions, it wants to represent community groups that cannot gain much from the development of a market economy. Members of Labor Solidarity would not want to interfere with the modernization of the country, they desire mainly to work out certain solutions and suggest them to stronger organizations such as worker self-rule groups and trade unions.

In the opinion of Aleksander Kwasniewski, the chairperson of Social Democracy of the Polish Republic [SdRP], the left is primarily the "defense of the interests of those who live by the work of their hands and heads and do not have an opportunity to become capitalists. It is a force that supports the new multiparty political system. It is convinced of the superiority of market mechanisms, but, at the same time, demands state intervention in areas such as, for example, social policy, education, and culture and supports the position of separation of church and state."

Eugeniusz Noworyta of the Polish Social Democratic Union [PUS] stated that its members do not link the concept of the left with a definite party structure or doctrine. They understand it as a "set of values traditionally linked with the left."

For Witold Firak of the newly formed association, Pokolenia [Generations], (which drew together some of the veterans of old youth organizations), the left in Poland today is maintaining the principles of social justice. This signifies the intention to protect the "worth of work and workers," fostering respect and just treatment of any person who "produces things of value for the common

good." The state should ensure living conditions for those who have worked through a significant part of their lives and are not in a position to support themselves. Those people should be revalued so that they would not feel that their years of work were years lost.

### **The Future of the Left**

Adrian Stankowski stated that he is not afraid for the future of the left. "It is as old as people's dreams of justice and happiness and certainly it will not disappear. An additional favorable factor," said the PPS spokesperson, "will be the increasing dehumanization of social relations." This pertains mainly to Poland where liberal trends can be seen. The left has an assured future to the extent that it attains independence and authenticity. It cannot "become an object of a vassal relationship, it cannot become attached to various manor houses."

According to Aleksander Kwasniewski, the left will still play an important role. "I am convinced," said the leader of the SdRP, "that it will be one of the main factors organizing the political scene in the future. This will be a process in which many things will have to be renamed. In Poland and Eastern Europe, we must deal with the barrier of words connected with the excessive use of leftist slogans in the past."

Eugeniusz Noworyta also spoke of this situation. "The Polish left is burdened with the sins of real socialism and entanglement with the past. Not plunging into the old resentments, but directing attention to the future and recognizing that the single criterion in political life is the acceptance of democracy decidedly increases the chances for a successful transition to a democratic system."

In the opinion of Pokolenia, the future of the Polish left depends on its integration. If conflicts with administrations of specific groups are averted, the left would have a chance for political success.

Piotr Marciniak of Labor Solidarity believes that the prospects for the left are not bad in the long run since it would be difficult to imagine a society without a left.

Włodzimierz Bratkowski, of GSR, noted that despite the fact that we have a second Solidarity-based government, dissatisfaction is growing. He believes that the left will have a large field for displaying its attributes.

### **About Oneself and Others**

Aleksander Kwasniewski: "With respect to other leftist groups in Poland, we do not have the desire to dominate, or even more, the desire to form complexes. At this time in Poland, we are at the stage of symbols and autobiography. But truly important is how we want Poland to be organized and what the left has to propose in this matter."

Eugeniusz Noworyta: "Our leftism is sometimes questioned, and this is because, like the National Council of PUS, we are one of the leftist bodies that effectively



supported the candidacy of Lech Walesa for president. We did so because in the program and attitude of Lech Walesa, we saw support for pluralism and democracy, a protest against replacing the old monopoly of power with a new one, and out of consideration for the sensitivity of Lech Walesa to social problems of the people. PUS is an attempt to create a social-democratic alternative in concrete Polish conditions. We put national interest and the sovereignty of the country, the subjectivity of the individual in economic and political life, and social values first. We are a new organization. We are at the beginning of the road and have no pretensions toward evaluating others."

Witold Firak: "There are many parties and groups that believe themselves to be leftist. At the same time, some are ashamed to admit to being leftist, others do not believe their views to be leftist."

Piotr Marciniak: "It is too easy to describe old Communist organizations as leftist. The Communist Party was neither left nor right, it was the ruling party."

Adrian Stankowski: "The PPS has clearly described itself as a workers' party and expresses this every day in concrete support of worker activities and a clear stand in every conflict that arises. We believe that we are the only party of this type. Citizens Movement—Democratic Action [ROAD], unjustly suspected of being leftist, is a party of future owners of an economy privatized from above. The situation is similar with the supposedly leftist SdRP which actually represents the interests of the Communist system. Symptomatic is the fact that in the election campaign of Cimoszewicz there was not even one element that was exclusively leftist. The litmus paper here is the relation to Balcerowicz and the privatization from above that he proposed." Adrian Stankowski admitted that this litmus paper is also colored by anarchists and agreed that they are also leftist. The difference between them and the PPS rests on the difference in attitude toward democracy.

Włodzimierz Bratkowski, of GSR, which believes itself to be extremely leftist, pointed out the similarities and differences between GSR and ROAD and the PPS.

With ROAD, especially with Zbigniew Bujak's group, GSR is linked by general democratic slogans and opposition to religious instruction in the schools. But while the leftist segment of ROAD and a part of the PPS stop at slogans of "capitalism with a human face," GSR believes that there is no chance in Poland for building such a structure. If there is to be any kind of capitalism in Poland at all, it will be rapacious, resembling that of the 19th century. GSR is skeptical of social-democratic proposals. They do not fit Poland because Poland does not have a middle class that would be the basis for social democracy. GSR speaks for a "third way," that would avoid Stalinist communism and capitalism.

Like the groups to the left of the PPS and a part of the PPS itself, GSR demands a solution to the problem of ownership not on principles of privatization, but in the

direction of collectivization. It is equally ill-disposed toward a free market. In its place, it proposes an "economy planned from the rank and file." For example, in stores in settlements, the prices would be set by a settlement council. Members of GSR favor direct democracy and are for the "street to decide political matters," or more precisely, "workers through coordinated strikes."

Zbigniew Bujak did not want to make a short statement on whether he belongs to the left or not. We might remember that during the ROAD congress, he avoided answering similar questions. As far as division into left and right is concerned, in Bujak's opinion, this was eliminated in the area of economic policy, but retains validity with respect to other problems.

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The statements of representatives of several barely formed leftist groups obviously do not exhaust the subject. Among leftist partisans are the pacifists who have contempt for the West and the authors of manifestos, pasted on walls, that usually begin with "Away with...!" But we had no pretensions toward presenting a "broad spectrum," as Boris Yeltsyn used to say. He is also a leftist.

#### Minorities: Germans in Silesia, Poles in USSR

91EP0278A Warsaw ZYCIE WARSZAWY in Polish  
2-3 Feb 91 p 3

[Article by Andrzej Miklaszewicz: "Fears for Silesia, Hopes for Eastern Borderlands: The Spirit of the Polish Colonizer"]

[Text] The legacy left us by the Piast dynasty includes Silesia, which has, however, for many centuries been feeling itself increasingly linked to the economically stronger Germany. The legacy of the Jagiellonian empire includes the yearning for the extensive, though troubled Eastern Borderlands. Nowadays along with democracy there has appeared the problem of the German minority, which has recognized that it has all the rights and conditions to speak of itself openly. And now that we have gained our national sovereignty we are free to ask about the fate of the Poles living in the Eastern Borderlands. Thus a troubling conflict between yearning and fear has arisen in the Polish soul.

The fear exists because nearly 300,000 Polish citizens living in Opole Silesia, Upper Silesia, Pomerania, Mazovia, Wielkopolska, and even Malopolska, have signed the declaration of belonging to the Cultural-Educational Society of the German Minority, directed by Johann Kroll of Gogolin, a man who has previously figured in official records as Jan Krol.

Following that society, other organizations defining themselves even more radically as associations of the German population began to arise in, among other places, Wodzislaw Slaski as well as in Wroclaw. They are



demanding the abolition of the prohibition against the teaching of German in Opole Silesia, the return of churches, access to radio and television, and the introduction of bilingual names for cities, streets, and institutions. Furthermore, emissaries of German Landsmen Associations have appeared.

A major part of the burden of restoring ties with the lost fatherland was assumed by Hartmund [Hartmut] Koschyk of the Association of Expellees. In their turn, delegations of Polish Germans attended the conventions of the landsmen associations [Landsmannschaften]. "These conventions are just like ordinary picnics," Henryk Krol calmed Polish public opinion. "It may be that on occasion certain politicians try to grind their own axes, but our people do not do that." His father, Johann Krol, even defined his contacts with the landsmen associations as "fairly unpleasant." As he put it, "I had to explain to them the question of Poland's western boundaries."

To dispel the suspicions, the German minority issued declarations that it does not intend to change the boundary or return to Nazism. This has dissipated only to a small extent the apprehensions nurtured by memories of the fifth column and nourished by the humiliation and envy which a man is bound to feel toward someone who is richer.

People were saying of thousands of marks sent from Germany to those who would sign declarations of being of German origin. In Silesia neighbors, sitting on packed suitcases, ready for departure to the land of plenty, were enviously watched. Protests against the sully of St. Anne's Mountain by the German language were made. Following the death of [Senator] Edmund Osmanczyk the electoral campaign in Opole Silesia for his Senate seat, which Henryk Krol wanted for himself, became a kind of holy war.

At the government level the legal aspects of the emergence of the German minority became a troublesome issue. At one of the sessions of the Sejm's National and Ethnic Minorities Committee, a representative of the Ministry of Foreign Affairs argued, "The point is that the FRG Constitution identifies nationality with citizenship in a manner not acceptable to us." What he meant is that whoever declares his nationality to be German becomes by the same token, under German law, a German citizen. He has thus a dual citizenship. Under the criteria applied by German legislation, about 1.5 million Poles may gain dual citizenship.

The Ministry of Foreign Affairs assesses this as an impermissible attempt at classifying Polish citizens by the FRG, especially evident in the visa policy. Anyone who can prove that he or she is of German origin is automatically granted a visa.

We therefore began to question the "declaration of conscience" as insufficient for classifying a person into the German minority and explore, even if not very effectively, other criteria. Some people proposed the

linguistic criterion, arguing that persons claiming a particular nationality should know and cultivate its language. In other words, unfamiliarity with the German language would preclude classification into the German minority. The adoption of this principle would markedly slash the membership of the German associations.

Fortunately, the Silesian emigration became hobbled by the unification of Germany and the attendant problems of the new state.

But while the problem of the German minority has now become somewhat less acute, the yearning for the Eastern Borderlands has become more intense, as reflected in posing the question of dual citizenship for the Poles living in the USSR.

Polish emissaries returning from inspection tours beyond the Bug River note with some gratification that the Poles living there are interested in dual citizenship. This interest is fostered by the Polish consul in Lvov Jerzy Lukaszewski, who notes a current court trial in that city, with the Polish plaintiff demanding the restoration of his Polish citizenship, of which he was deprived against his will following the change of boundaries.

The Ministry of Foreign Affairs regrets to advise that the Soviet Union continues to preclude the possibility of dual citizenship in its country. However, some change in the Kremlin's attitude has been observed. A letter from Eduard Shevardnadze to Minister Skubiszewski, dated 19 December 1990, indicates that it is now possible to exchange Soviet for Polish citizenship without, as has the case been so far, having to emigrate from the USSR. However, this situation was defined by the Polish Ministry of Foreign Affairs as still difficult, because the change of citizenship automatically entails the necessity of relinquishing participation in the political life of the USSR and hence it cannot be expected that any substantial number of Soviet Poles would decide to take this step.

It may be, however, that we shall try to play another card. It may be worthwhile to copy the Germans and consider whether Soviet citizens could not be classified somehow. That is because questions are being asked in the Sejm like, "Is there a chance for abolishing the visa requirement for Poles in the Ukraine (in Lithuania, in Belorussia) who wish to travel to Poland?"

This inevitably entails the need to decide which Soviet citizens can be considered Poles. We find official Soviet statistics to be unacceptable, because they underestimate the actual figures. Consul Lukasiewicz reports that in his district the official figure is 90,000 Poles, which he views as a number that is partially due to the intimidation of Poles and partially to other factors such as the desire for a higher social and material status. It appears that, when determining the actual number, we are most prone to accept the "declaration of conscience," while the linguistic criterion is unacceptable, because only every third or fourth Pole living in the USSR speaks his mother tongue.

We view as unjustified the fears of other nations that the Polish Republic desires to regain the Eastern Borderlands. But these fears have not flourished on barren ground.

The first issue of the monthly SEMPER FIDELIS, published in Poland by the Society of Lovers of Lvov, appears to express the regret that at present the solution of ethnic minority problems through a just settlement of borders cannot be expected.

A Polish Ukrainian, Citizen Marek Skorka, in a letter to GAZETA WYBORCZA, points therefore to the trepidation with which, "We look on at the unification of Germany and in our hearts conceal the question of when and who will be the first to conceive the formulation, 'a just settlement of borders.'"

Citizen Skorka further writes, "I am astonished to find that SEMPER FIDELIS constantly refers to the present-day Ukraine as 'the former Eastern Malopolska' or 'the territory of the former Eastern Borderlands of Lithuania and Ruthenia (!), now inhabited by Poles.' This does not mean quibbling about words but a certain nature of relations between Poles and Ukrainians. We would be just as astonished to read a statement like, 'I live in the former East Prussia and was born in Kolberg [Kolo-brzeg].'"

Yet we are advocating through official channels more funds for Polish-language schools beyond the Bug River. "The conditions in schools here are inappropriate," the consul in Lvov reported. "The Polish language is taught in all grades to altogether about 1,200 persons." We also desire that the authorities in the neighboring republics would spend more on Polish culture, on the activities of Polish societies. At the same time we are undertaking to publish GAZETA LWOWSKA, which is printed in Poland but distributed in Lvov, despite the economic absurdity of this project. This did not prevent us in 1990 from canceling most of the subsidies for national-minority associations in our own country owing to the difficult budgetary situation.

Roman Catholic priests in the Ukraine are surprised by the fact that Ukrainian Democrats are mistrustful toward their church, believing it to promote Polonization. They mention the Church of the Bernardine Monks in Lvov which was transferred to the ownership of a Greek Catholic monastic order, the Basilians, instead of to themselves. They also talk about the smashed altar in Tarnopol and the revoking of the decision to return St. Elizabeth's Church in Lvov to Roman Catholics. But the Greek Catholic cathedral in Przemyśl remains in the hands of the Roman Catholic Church (and St. Elizabeth's Church in Lvov is used as a bargaining card by the Ukrainians in this connection), while Polish citizens of Ukrainian origin have not so far regained even one of their churches, forfeited following "Operation Vistula."

In such a complicated situation the Polish Republic is trying to say "Stop!" It is trying to halt the encroachments by the German landsmen associations, whose

hopes were awakened by the self-proclamation of the German minority in Poland. At the same time it does not restrain, or restrains in a very enigmatic manner, the eastward pressure of indigenous colonizers.

## YUGOSLAVIA

### Tudjman Said To Have French Bodyguards

91BA0333C Belgrade POLITIKA in Serbo-Croatian  
20 Feb 91 p 11

[Article by R.D.: "According to Article in Zagreb Weekly GLOBUS, Frenchmen Protecting Tudjman"—first paragraph is POLITIKA introduction]

[Text] The personal safety of the president of the Republic of Croatia is being looked after in part by "a striking lady of our extraction from Canada."

Zagreb, 19 Feb—Even though in all of his appearances he appeals to the Croatian nation and its will, while at the same time extolling the bravery, integrity, and cultural achievements of the nation to which he belongs, it appears that the president of the Republic, Franjo Tudjman, does not really have a lot of confidence in Croats. Specifically, his personal safety is being looked after by foreigners. They are Frenchmen and Americans, or more precisely, an American woman.

The rumor that Tudjman is surrounded by foreigners was confirmed in the latest issue of the Zagreb illustrated weekly GLOBUS. The publication ran a story accompanied by photographs entitled "One Day at the Banal Palace," in which, among other things, we find photographs and the names of two Frenchmen in charge of protecting President Tudjman against potential assassins around the clock.

These men are Bernard Sacrez and Rene Beguinet. As is proper in order to maintain the conspiracy theory, the only thing written about the two broad-shouldered young men is that they arrived in Croatia after taking care of security in their own country for HDZ [Croatian Democratic Community] figure Stjepan Mesic during his visit to France. GLOBUS also mentions a "striking lady of our extraction from Canada" who is also in charge of safeguarding the tranquil life of Franjo Tudjman and his political retinue.

Although the publication does not go into detail, sources close to the Banal Palace say that this is a female person who in fact came from America. There, it is alleged, she completed police training with the FBI, and in Zagreb she "holds" the post of advisor for security matters.

Naturally, both she and the Frenchmen in question have personal incomes that are astronomical for our conditions.

**Army General on LC-MY Activities**

91BA0338A Belgrade VREME in Serbo-Croatian  
25 Feb 91 pp 18-19

[Interview with Colonel General Stevan Mirkovic (ret.), former chief of staff of the Armed Forces of the SFRY, by Zoran Lukovic; place and date not given: "Close Relations Between the Top Leadership on Both Sides"]

[Text] Stevan Mirkovic's intensive political commitment in the public arena, although as an active high-ranking officer he was a member of the LCY [League of Communists of Yugoslavia] Central Committee, coincides with his retirement last year. The transition to civilian life also meant the end of the official restraint imposed by the uniform, the rank of colonel general, and the position of chief of staff of the Yugoslav Armed Forces. However, the very first months of retirement showed how temperamental Mirkovic is and how consistent with his own generation (he was born in 1927 in Valjevo) in his pronouncements and ideological commitments. Although invited as a participant, he left the speaker's platform of the Association for a Yugoslav Democratic Initiative [UJDI], obviously dissatisfied because of the "attack" on the JPA [Yugoslav People's Army] and Tito. He very quickly explained the fierceness of his reaction and his frankness in expressing his opinion (he says that because of these characteristics his friends called him John Wayne when he was young) in the "case of the speaker's platform" with a statement for the newspapers whose essence is excellently illustrated in just a few words: "At this point, you can do what you like, I will remain a Communist." As it was, so it has remained. Stevan Mirkovic was one of the initiators of establishment of the League of Communists—Movement for Yugoslavia [LC-MY]. Now he is in the very top leadership of that party, which, according to him, has more than 200,000 members all over Yugoslavia, only three paid officials, and one official car.

"The decision has not yet been made, but we are thinking of taking part in the provincial and opstina elections in Serbia, which will certainly, Mirkovic explains, be an occasion for the first verification of our political platform and programmatic orientation. It is clear now that the opposition in Serbia made a mistake when it did not form a coalition even in the first round of the elections because the results would perhaps have been more favorable for it. I support the idea of our entering into a coalition with the left-wing parties for the provincial and opstina elections, because in that way we will not scatter our forces unnecessarily. A decision has yet to be made on all that," Mirkovic said.

[Lukovic] Many have expressed their opinion in public that the LC-MY is a military party and that as such it cannot contribute to a future democratic Yugoslavia.

[Mirkovic] I am perhaps expected to say that that is a lie. The LC-MY is in fact a military party. An entire organization, the Organization of the League of Communists in the Yugoslav People's Army, with about 80,000

members, entered this new party. In part, then, it is military because officers of the old JPA are members of it. However, it is not military in the sense of enjoying some patronage of the Army. The members of the military joined as individuals. In time, this could in fact become a danger, if those people were to achieve some dominant role in the party, but that is only a possibility.

[Lukovic] The information issued by the Political Administration of the Federal Secretariat for National Defense [SSNO] on 19 January of this year favors the LC-MY and predicts that in five or six months it will be the principal political force in Yugoslavia.

[Mirkovic] There is nothing special about that statement. That is the usual practice in the handling of information in the Army. I think it is logical for the Political Administration of the SSNO to favor the LC-MY because it favors the party which up until that point had existed within the YPA. That might be interpreted in different ways. I think it would be illogical for the Political Administration in the Army, in which the LC existed until a short time ago, to behave differently. Our party will be one of those that will unite our nationalities and republics.

[Lukovic] Among the parties which won the republic elections and whose leaderships are participating as legal representatives in the agreement on the destiny of Yugoslavia, only the Socialist Party of Serbia [SPS] places its programmatic identification in democratic socialism. In addition to the people who think that there is a high degree of agreement between the republic leadership of Serbia and the military leadership of the country, and in addition to the fact that Dr. Mirjana Markovic is in the top leadership of the LC-MY, the conclusion is being drawn that the LC-MY is the "long arm" of the SPS. In some republics, this is arousing suspicion "because of the unequal position in the talks on the future of Yugoslavia and the rights of its nationalities."

[Mirkovic] There is no question of our being Milosevic's "long arm," of our being a "sister party," and so on. We have made contact with the Workers Party of Yugoslavia and with certain communist parties in the world (Hungary, the Soviet Union, France, and Korea), but we still have not contacted the SPS. There are similarities between us, but also differences. For instance, we are clear on continuing the traditions of the Socialist Worker Party of Yugoslavia (communist), the CPY [Communist Party of Yugoslavia], and LCY. We accept both the good and the bad, and we carry that burden. The Socialist Party of Serbia is breaking that tradition. The SPS says: Up until the eighth meeting it did not exist; we begin with the eighth meeting—as though history started at that point. That was particularly evident in the election campaign. And then there is the difference concerning the National Liberation Struggle [NOB]. Through SUBNOR [Federation of Veterans Associations of the People's Liberation War], we have been warring quite a bit with the SPS over incorporating traditions from the NOB in their program. I also think that they have a

looser attitude toward nationalism. As a Yugoslav party, we are much more rigorous in condemning Serbian nationalism. In the future, if we want to collaborate, if we want to do things together, we must clear that up. The attitude toward Serbian nationalism must be distinguished from the tradition, and we must see what is being glorified just for the sake of it, just to give vent to ethnic sentiments.

As for the attitude of the leadership of the SPS and the leadership of Serbia toward the top military leadership and vice versa, there is no difference if we compare this to the relation between the top military leadership and the other republic leaderships. That was the principle even when I was the chief of staff. However, because of the way events have developed and the fact that now the Serbian leadership has views that are very close to those of the top military leadership concerning the federation, socialism, and the position of the Army, it is normal that there should be better contacts and cooperation. That does not mean that the Army is Serbian.

And let me answer concerning Mira Markovic. When one looks on from outside, there are some simple facts that stare you in the face: See here, man and wife, there must be something here. However, when you know Mira Markovic, when you see a brilliant Communist, I perhaps might even say an orthodox Communist, although she is adapting, then it is all clear. She did not want to abandon the idea, just as I have not for that matter. The LC-MY wants to change the method and content, but not the basic idea. That is the reason why she is here, and he is there. There is no question of any agreement to the effect that now the SPS will achieve some influence through her. I even think that it could be the other way about, that she is actually having an ideological influence on the SPS.

[Lukovic] The attitude toward Serbian, Croat, or any other nationalism, that is, the explosion of nationalism in general, is in large part Yugoslavia's fundamental problem. Have the present republic structures of government encouraged nationalism?

[Mirkovic] They certainly have! No agreements are possible between those republic leaderships. They can meet, but there are no real agreements. The climate must above all be created for that through the involvement of people in political action and in the activity of Yugoslav political parties. Time unfortunately is not on our side because the nationalist parties are expanding: Demos, HDZ [Croatian Democratic Community], SPO [Serbian Renewal Movement], VMRO [Internal Macedonian Revolutionary Organization], and all three parties in Bosnia-Herzegovina. Montenegro is the exception. Nevertheless, no one can convince me that the Croats and we are not a single nationality. I will not argue with the scholars, that does not interest me at all: I simply know those people, I served in Croatia, I know that language. That, my friend, is our language, and there are merely

shades of difference. I have a weekend cottage in Slovenia. They are telling me to sell it. Why should I sell it, this is going to be worked out....

[Lukovic] There has been one meeting after another organized by the State Presidency, the Assembly, and the FEC [Federal Executive Council]. They have not managed to operate in keeping with the principles of a law-governed state, and the top republic leaderships have dug in behind national bastions. The citizens of Yugoslavia are getting poorer and poorer, and they have no idea whatsoever when things will be better for them.

[Mirkovic] The people should decide Yugoslavia's destiny in a referendum because I think that the republic leaderships do not have a mandate to make a decision on that. These meetings of the republic leaders merely enhance their own prestige, offer them an opportunity to spread their wings, to get off various propaganda one-liners, and to win more and more people over to themselves. There is even bad blood between them personally, they abhor one another, they cannot stand the sight of each other. I would say these are people in love with official power. They were all created in the context of the cult of infallibility, it exists everywhere. In my opinion, it should all play out in federal authorities in which the republics are already represented. The Federal Assembly is the entity that should decide on the Constitution, and the Constitution is the document that regulates relations among the republics. The most logical thing at this point is to have elections to the Federal Chamber, and then let the new Assembly do its work.

I am firmly convinced that we cannot part ways because we have become intertwined on every basis: our territory, our property, and our people. When we really face disaster, and there have been such moments, then a solution will be found. I think that an energy in favor of Yugoslavia is building in the populace, so that that climate will force the most extreme elements in all the nationalities to back off and make room for people who will know how to find a solution for the future.

Incidentally, there is a great deal of talk now that there is no Yugoslavia, but when you make a careful analysis, there are two problems: the republics, which are not paying money to the Federation, and weapons. The FEC and Ante Markovic are working to have obligations to the Federation respected, and the Army will solve the question of weapons consistently with the Constitution. The JPA will not allow a civil war. In addition to all those reasons, which objectively make it possible for Yugoslavia to survive, I would mention two others. The first is the awareness that there could not be a peaceful parting of the ways because it would be the consequence of a quarrel, of euphoria, and of hatred. Nothing, then, would be solved, and the situation between the six little states would always be fragile, if I might so put it. Another reason is the fact that the world and Europe do not want that kind of fragile region.

[Lukovic] The film about the illegal imports of weapons which the JPA made public over television has been seen throughout Yugoslavia. The central role, not only in the film, but also in the unraveling of the entire affair, which in various ways leaves the issue of Yugoslavia and relations within it open, is certainly Martin Spegelj. At the time when you were the chief of staff, M. Spegelj was commander of the Fifth Army District. You were, of course, in contact and worked with one another.

[Mirkovic] That is a phenomenon. This time it is the phenomenon of Spegelj, in 1971 that of Bobetko, and the Milojevic phenomenon with us in Serbia. Which means that among us Communists and military men, Yugoslav patriots, there are people who, once they are free of that direct influence of the Army and that environment, become nationalistic leaders and drown in it. It is probable that Spegelj carried that within himself, but military discipline, work, and promotion held him until he retired. Various stories are going around now. I had a call from a newspaperman who is now following the development of everything concerning him, attempting to find some nationalistic blot in his career. There is nothing to that, at least I do not think so. He simply is that kind of man. Something broke down in him, and the result was a moral, political, and military fiasco. Or it is a question of ambition, and professional military men are subject to that, or it is a question of money. Perhaps even some third thing. In the nationalistic atmosphere, he obviously gave in to the euphoria. He also took part in the elections. That was an utter failure, and perhaps he was seeking rehabilitation. I think he did not know what he had gotten into, perhaps he had certain illusions, but probably he later could not back out. So you see what it has come down to, when a man's thoughts can be so criminal. I was among the first to condemn him publicly for all of that. Incidentally, I think that this is a subject for some other kind of analysis rather than political analysis.

### Minister for Serbian Diaspora Interviewed

91BA0333B Belgrade POLITIKA in Serbo-Croatian  
20 Feb 91 p 9

[Interview with Stanko Cvijan, minister for Serbs outside Serbia, by Stevan Zec; place and date not given: "Stanko Cvijan, Minister for Serbs Outside Serbia, Speaks With POLITIKA: Serbia Will Look After Every Serb Wherever He May Live"—first paragraph is POLITIKA introduction]

[Text] The most imperiled part of the Serbian nation lives in the territory of the present-day Republic of Croatia; contacts will be established between this ministry of the Serbian government and the governments of Croatia, Bosnia-Herzegovina, and Macedonia; past Serbian policy, which has been constantly defensive, is partially responsible for the major wave of anti-Serbianism.

As of yesterday, the Ministry for Serbs Who Do Not Live in Serbia officially got to work on the seventh floor of a building on Nemanjina Ulica in Belgrade. Stanko Cvijan, a university-trained economist, is the first minister with this portfolio in the entire history of the Serbs and the Serbian state. Minister Cvijan says of himself that he is a "displaced person" because he lives in a hotel, while his family—his wife and three children—does not want to move from Majdanpek, where until recently he was a successful businessman and director of a factory that exported 90 percent of its output to the hard-currency market.

### There Is No Time for "100 Days"

[Zec] There are around 2 million Serbs living in more than 50 countries of the world, and in the SFRY, outside Serbia, there are more than 3 million of our compatriots. Why was this ministry established and what will its primary goals be?

[Cvijan] The Constitution of Serbia provides the reasons for the existence of this government portfolio, and its goals are also noted in the Constitution, where it states that the Republic of Serbia will take care of and look after every Serb, wherever he may live. I must say that this ministry is not starting from scratch; rather, it is continuing the work that in the past was carried out in part by the Secretariat for Foreign Relations. I feel that the policy towards Serbs outside Serbia was adequately revised two or so years ago.

[Zec] What will be the working program?

[Cvijan] Both this government and I have neither the time nor the option of the customary "100 days" of getting accustomed to the new job. The times are such that we will have to act immediately and at the same time formulate some general programs. My wish is to first visit those regions where Serbs live, primarily in Croatia, because Serbs are imperiled there. And I myself am a Serb from Bosnia, so I know how Serbs outside Serbia view the motherland, often expecting more assistance than Serbia is able to offer them. In short, the program of this ministry will be such that it does not go beyond the framework of the official policy of the Serbian state, while at the same time being as close as possible to the needs and desires of Serbs who do not live in Serbia.

[Zec] What sort of contact will you establish with the governments in Croatia, Bosnia-Herzegovina, and Macedonia?

[Cvijan] I will personally intervene on behalf of concrete relations, and my task will be to convince those governments that Serbia has no central authority promoting an uprising by Serbs outside Serbia, but that the Republic of Serbia will do everything in its power to defend its compatriots, because the Constitution obligates us to do so. When I go out in the field—because I don't believe in armchair ministers—I will travel openly, and thus as the minister for Serbs outside Serbia. In addition, it should

be known that the problems of Serbs in Yugoslavia are the top priority right now, and that Serbs who live around the world will have their turn at a potential visit much later. It is my opinion, moreover, that the work of this ministry for Serbs in Romania, Hungary, and Albania is more urgent than for those in, say, Australia.

[Zec] What is the source of such anti-Serbianism both in Yugoslavia and abroad?

[Cvijan] There are numerous reasons, ranging from historical to contemporary political ones. Before all else, I want to say that the policy of Serbia, too, has often contributed to anti-Serbianism, especially because of the constantly defensive attitude, the constant explanations, the constant inferiority complex. As the largest and most numerous nation in Yugoslavia, the Serbs have maintained that it is not respectable to call someone an Ustashi, a Balista, and so on, even though he is, while at the same time they have constantly argued that they are not a blend of Chetniks and Bolsheviks. I, too, was brought up by my family to consider myself first a Yugoslav and only then a Serb. It was only after I attended secondary school in Livno that I realized that Croats do not consider themselves first of all Yugoslavs and then Croats. Moreover, I believe that the change in Serbian policy towards Yugoslavia also provided a contemporary reason for this anti-Serbian policy. Imagine how much they would hate us if Kardelj, Bakaric, Dolanc, Mikulic, and even Tito were Serbs. Simply because Serbia no longer wanted to be "fraternal," but rather on an equal footing, it began to be annoying and became the object of general invective, and the Serbs were then "to blame for everything."

[Zec] What is your ultimate goal as minister?

[Cvijan] If Yugoslavia remains a unified state, and I think that serious people must take into account the alternative, I will be more than satisfied if Serbs in Macedonia have the same rights as Albanians in that republic, if Serbs in Bosnia do not have greater rights than the Muslims, but rather the same ones, and if in Croatia they are recognized as an equal nation with the Croats, formally and in reality. I think that on the one hand this is realistic, while on the other hand, as things stand now, it is very difficult, because we all know how life is.

#### **All Serbs Outside Yugoslavia Are the Same**

[Zec] How will you work with Serbs outside Yugoslavia?

[Cvijan] This ministry will work very closely with, and complement, the Ministry for Foreign Affairs and the department for religious issues. The most fundamental task will be to express and demonstrate that all Serbs outside Yugoslavia are the same. Since the war, we have cut off all ties with our emigres. It was only last summer that Aleksandar Prlija officially accepted all Serbs in America as equal and alike. At the same time, Serbs outside Yugoslavia will not be suitable for contact simply if they are economically strong and if they are

expected to invest their money in Serbia. Favor for favor, but money for money. As an economist who has done a great deal of work with the West, I know quite well that money has no ethnic affiliation.

[Zec] And you are aware of the fact that you won't have an easy time of it...

[Cvijan] I did not come from a good factory to be a bad minister. I don't make any promises, but I can say that I will be harder hit by any criticism from Serbs outside Serbia than by criticism from the opposition in the Serbian Assembly. Indeed, I feel that this ministry has the greatest obligation to be nonpartisan. Naturally, I will work most closely with groups that are based in Serbia. Especially with groups of Serbs from Croatia and Bosnia-Herzegovina.

#### **Privileges for Kosovo Albanians in Croatia**

91BA0333A *Belgrade POLITIKA in Serbo-Croatian*  
20 Feb 91 p 9

[Article by Z. Zejneli: "Pristina-Zagreb Axis Still in Operation: Albanian Fugitives Get Passports in Zagreb"—first paragraph is POLITIKA introduction]

[Text] For his services in training Croatian special police units, Jusuf Karakusi received a villa for his own use from the supreme authorities. Mahmut Bakali lounges around in Bled, and Jusuf Zejnullahu is abroad.

Pristina, 19 Feb—It is no longer news that Albanian terrorists, Croatian "democratic" authorities, and Slovene separatists are jointly involved in the destruction of Serbia and Yugoslavia. It is known that some of the representatives of the federal Yugoslav government are also working with them for the same objective. Even though many of their sinister designs connected to Serbia have miscarried, these connections are still in working order.

There are currently more than 200 Albanians staying in Croatia and Slovenia who, together with their compatriots, are under the protection of the supreme Croatian authorities. The majority of them have been given sordid jobs, something recently addressed by Martin Spegelj (five bullets apiece). They include Albanian policemen who were taken in to work as policemen in Croatia. This arrangement was made for them by Jusuf Karakusi, together with Zekerija Cana, who, aside from "dealing" in bananas, is on friendly terms with both Vladimir Seks and Josip Boljkovac.

Zekerija Cana was Seks' guest at the celebration of the HDZ [Croatian Democratic Community] victory. At that time, all Albanian terrorists who had fled Kosovo and Metohija were promised that they would receive passports from the Croatian authorities, even though criminal proceedings are under way against them. Among the first to receive their passports under orders from Boljkovac were Zekerija Cana and Avdi Limani. In their passports, the residence listed is Savska Cesta 124,

which is in fact the street where the Croatian MUP [Ministry of Internal Affairs] is headquartered. According to the agreement, these passports are kept at the MUP and are used only when their bearers go abroad for some business.

Among the first to be received at the Croatian MUP was Ljus Gasi, the former head of the Center for Security in Urosevac. Boljkovac and Spegelj need him in order to establish connections with Croats in Kosovo and Metohija. Gasi's basic job is to supply weapons to Kosovo, and more specifically to Janjevo and Letnica, where there are resident Croats who support the HDZ.

These Albanians are well rewarded for everything that they are doing with Croatia and Slovenia. Thus, Jusuf Karakusi was secured a villa for his services in training Croatian special police units; until recently, that villa

was occupied by Jusuf Zejnullahu, who has been permitted to go abroad with a Croatian passport. Ljus Gasi too lives in a big apartment in Zagreb. Iljaz Ranmajli, a former vice president of the Kosovo Assembly, lives in Bled, as does Mahmut Bakali. Also living well at the expense of the Croatian authorities are Aljus Gasi, Muhamed Bicaj, the former dean of the School of Medicine in Pristina, and Bujar Bukosi, a doctor who is being used for his extremely sordid contacts abroad.

Moreover, a so-called Albanian shadow government is currently active in Zagreb, comprising many fugitive separatists and terrorists. This "government" is receiving directives from the Croatian authorities, and tasks to perform from foreign intelligence services. The president of this government is Jusuf Zejnullahu, even though he is abroad. All indications are that he is the person whom the Croats are seriously banking on.

## POLAND

### Purchase of Foreign Equipment Questionable

91EP0273B Warsaw RZECZPOSPOLITA (ECONOMY AND LAW supplement) in Polish 12-13 Jan 91 p II

[Article by (Z.L.): "The Military in a Fog"]

[Text] "We moved as if in a fog; to this day there remain so many unknowns," was how Division General Zdzislaw Stelmazuk, deputy minister of national defense and chief of the General Staff of the Polish Army, described the circumstances under which the 1991 budget of the ministry of national defense had been drawn up.

Deputies from the Sejm's National Defense Committee who had several days ago toured main agencies of the ministry of national defense in order to verify the data reported by the military, admitted that what they had learned about exemplary conservation measures in the military impressed them greatly.

"Either we decree peace, despite the menacing growls on the other side of our frontiers or we accept the government's proposals," it was said. The government offered 23.3 trillion zlotys and not a penny more, whereas the ministry of national defense estimated the total of its most urgent expenditures at 28 trillion. The latter is the amount sufficing for not canceling the planned elementary purchases and for maintaining the remaining expenditures "on living expenses" at roughly last year's level.

But the expenditures on equipment are the greatest unknown and, besides, they are the subject around which the greatest number of myths has grown.

"When we asked the Americans," Deputy Minister Stelmazuk said, "whether we could buy combat aircraft from them, first they promised to consider it and later they changed the subject. Ultimately, they expressed their wonderment at what do those Poles think they are doing in showing interest in F-16 fighters and, at the same time, asking for a postponement of debt repayments?"

Another myth is the equipment which we supposedly were to receive as a legacy of the military of the former GDR. For the time being all our proposals have remained unanswered, other than an offer to unload on Poland unneeded ammunition and other far from modern materiel. The Czechs, from whom we wanted to order a number of armored personnel carriers, also have been slow to answer.

But the most complicated situation has arisen in the contacts with our previously principal supplier. The switch to dollar payments has resulted in a sixfold, on the average, increase in the prices of Soviet weapons. Thus, the Russians today demand \$18 million apiece for MiG-29 fighters, that is, for the latest-generation fighters,

which is, of course, an astronomical sum. It is symptomatic that recently, surely in view of the present political situation, they refused to sell to us their most recent reconnaissance systems.

It may be that many unclear questions will be resolved during the visit by Minister D. Yazov scheduled for 22 January. But it may be assumed that these talks will not be easy.

A dramatic debate also preceded the voting at the National Defense Committee itself. Many deputies were of the opinion that, in view of the dangers, the shrinkage of the military budget should be stopped at any price, and before it is too late at that. Other deputies argued firmly that this would mean depriving the other ministries, which also are in a far from the best situation, of their last pennies. The committee rejected with seven "aye" votes, six "nays," and one abstention the government proposal for the military budget, thus voting in favor of the 28 trillion zloty version, that is, the one proposed by the Ministry of National Defense.

### Proposals for Improvement of Army Voiced

91EP0273A Warsaw POLSKA ZBROJNA in Polish 14 Jan 91 p 3

[Article by (jbg): "Perspectives of Defense Policy: The Need for a Strong Military"]

[Text] In his Sejm address Prime Minister Jan Krzysztof Bielecki unfortunately merely outlined the directions of the defense policy of his cabinet. Does this mean that the issue is of secondary importance?

Colonel Professor Zbigniew Puzewicz, chairman of the Club of Military Deputies to the Sejm, was asked by the parliamentary reporter of POLSKA ZBROJNA to comment on this issue. His reply is presented below.

"The European order of peaceful existence is still young, evolving in a far from idyllic climate. That this is so can be seen just outside our frontier.

"The need for a strong military is not questioned today, but in order that it may properly develop its defense capability, it should be well organized and well equipped. I quite understand the constraints ensuing from the country's difficult situation, but we should be aware of the actual status of the nation's defense potential and armed forces.

"We of the Club of Military Deputies to the Sejm feel concerned about the continuing period of inadequacy in this domain. In recent years defense expenditures declined in real terms by more than 30 percent. We understand and allow for the country's economic limitations, but at the same time it is our duty to loyally warn the public once a certain minimum line is crossed.

"A modern military capable of coping with the requirements of the present-day battlefield must have adequate funds for equipment and training. And yet, consider that



per capita military expenditures in European countries amount to \$600, and in Czechoslovakia nearly \$300, whereas in Poland they averaged below \$50 in 1989. The situation in which our country has found itself is resulting in a slowdown in the pace of modernizing our military. We cannot as yet obtain from Western countries consent to the acquisition of combat equipment, and at the same time we are encountering considerable problems in acquiring such equipment from the Soviet Union.

"In such a situation the government should pay special attention to promoting defense research and development and an indigenous defense industry. That is why a legal regulation of the system of the economic and financial ties linking defense to the national economy is an important problem.

"In recent months there have been many instances of an efficient meshing of the military with the institutional and structural changes in this country. A new organizational model of the armed forces, which should be based on the concept of representative national defense, is being evolved. The new educational model focuses on the fullness of the national patriotic and civic tradition, on freedom of religion, on the removal of the world-outlook [communist-ideology] barriers, and on the actual depoliticization of the military—such are the principal determinants of a by now solid process of strengthening the national character of the military.

"But there also exists a reverse side to this coin.

"The specific nature of military service imposes on the professional military many constraints as regards both political and civil rights. Although I understand fully the present condition of our economy, I also wish to emphasize that the material living conditions of our professional cadre and troops are disproportionate to the conditions and specific nature of their service. The military should have an assured permanence of the principles regulating its obligations and its place in the legal order of the state. Any uncertainty, such as that caused, e.g., by the recent rejection of the government proposal for new old-age pension guidelines, causes young and energetic people to leave the military and severely tests the motivation of others for military service. That is why we are placing great hopes in the acceptance by the Sejm of our draft of a pragmatic military law and our proposals for regulating the basic rights and duties of the professional military.

"We must finally understand that safeguarding national security is not a matter for the military alone. The potential for national defense should be developed upon the broadest possible social base, because the nation itself should assure its own security. And we as military deputies to the Sejm expect of the government of Prime Minister Bielecki precisely such an approach to this issue."

### Possible Reduction of Military Service Time

91EP0263B Warsaw ZYCIE WARSZAWY in Polish  
30 Jan 91 pp 1-2

[Article by PAP [Polish Press Agency]: "Prediction Announced of Shortening of Military Service to 12 Months"]

[Text] The minister of national defense has predicted that the period of basic military training may be reduced to 12 months. On 29 January, issues concerning national security and national defense were the subject of talks between President of the Republic of Poland Lech Walesa at Belvedere Palace and the Minister of State at the Chancellery of the President Jacek Merkel along with Minister of National Defense Piotr Kołodziejczyk and Minister of Internal Affairs Henryk Majewski.

"The State must pursue a uniform policy on domestic issues," declared J. Merkel after that meeting. "In accordance with the will of the president and the prime minister, who was represented at the meeting by the two ministers, we desire to attend to these matters jointly, in a mutually coordinated manner. One issue to which we paid special attention was the question of military conscription and personnel problems within the police."

H. Majewski stated that the question of the number of conscripts who could perform substitute military service in the preventive units of the police was discussed. "As a result of the contacts established between the ministries of national defense and internal affairs," he declared, "we intend to assign the largest possible number of conscripts for basic military service to the police, during the coming conscription (in March and April)." In the minister's opinion, this would be a good way of safeguarding the peace and security of citizens and reducing crime. The minister said that during the first half of this year he expects 10,000 conscripts to be assigned to the police, and 6,800 to the border service. He also said that he expected a definite improvement in the effectiveness of the police late in April and early in May owing to more patrols, increased qualifications of police personnel, changes in the operating procedures of the police, and improvements in police equipment. This should result in a decrease in crime.

Minister Kołodziejczyk, in his turn, declared that at present the problem of domestic security is our most important national issue. That is because crime menaces both the citizens and the processes of economic recovery. That is why the Ministry of National Defense is closely collaborating with the Ministry of Internal Affairs. "We are united by a common vision of the solution to this problem," he said.

The minister of national defense predicted that basic military training may be shortened to 12 months. "If no exemptions from this fundamental obligation are granted," he said, "there exists a real possibility of reducing the period of that training to 12 months and still fully meeting the needs of both the armed forces and

the Ministry of Internal Affairs. This provides us with a new impetus for the work to accelerate the modernization of the defense system." The minister added that at present it is difficult to define the extent to which the period of military service would be shortened. "Much depends on the Sejm, which is considering a draft law regulating, among other things, the problem of contract service. If basic military training is shortened, it would be complemented precisely by contract service by specialists who pledge themselves to serve in the military for five years, or for multiples of that period. We would then have available well-trained specialists who are greatly needed in the army in connection with the process of modernizing the army."

In the afternoon Lech Walesa hosted Field Ordinary of the Polish Army Bishop Slawoj Leszek Glodz. Following that meeting the bishop told reporters that his first conversation with the president, who is also commander in chief of the armed forces, served "to get to know each other better." The organization of military chaplaincy was discussed, along with the principal tasks facing the army. This concerns "a return to the sources of the army of the Second Republic, to its coeval values and ideals, which are particularly important now at the birth of the Third Republic."

The bishop emphasized that the availability of a military chaplaincy for servicemen and commissioned personnel of the Roman Catholic persuasion does not mean that no such chaplaincy may be provided for those of the other persuasions: Mosaic, Russian Orthodox, Protestant. The exercise of religious practices should be held in the spirit of universal tolerance. In a week the first message of the field bishop to the troops may be expected.

Commenting on that meeting, Presidential Spokesman Andrzej Drzycimski stressed that Bishop Glodz was to Lech Walesa a special guest, because "the President attaches great importance to military affairs and emphasizes the significance of restoring the church's place in the moral-ethical education of the military. This is particularly essential in times of major change such as are occurring at present. A person who performs his basic military service should feel linked to all these values, which are highly important to a majority of Poles. The appointment by the Holy Father of the first postwar field bishop of the Polish Army is a great event not only to the church but also to the renascent Polish Army."

## BULGARIA

## Analysis of Nuclear Energy Policy

91BA0287A Sofia 168 CHASA in Bulgarian 15 Jan 91  
p 10

[Article by Engineer Rumen Ovcharov: "The Peaceful Atom Brought Us a Heap of Trouble"]

[Text] For the Kozloduy AETs [Nuclear Power Plant] to be connected to the national power system, the state should interfere only in some parts of the investment policy and the distribution of electric power.

The nuclear power industry was created and developed in the country as an addendum to the conventional power industry. It followed its structures and adopted its weaknesses in their entirety. This made it possible to conceal some of its severe shortcomings for many years.

The present situation with cadres is exceptionally difficult. Whereas superior field personnel is available for blocks I-IV, it is insufficient for block V and simply does not exist for block VI. It will probably become necessary to "import" shift engineers from the USSR. The condition of the personnel servicing the other activities and units is equally strained but, nonetheless, satisfactory, at least as far as quantitative characteristics are concerned. The skill of the personnel is a different problem. There probably is no other country in which there are no system and conditions for the training and retraining of personnel. In our country, both line and repair personnel are trained by the good old method of "hammering away in the heat of battle"—that is, in the course of handling various types of equipment and jobs. No one has assessed the amount of excess radiation to which the people are exposed. There is no system for providing an objective evaluation of the knowledge and possibilities of the people in their individual jobs or for maintaining and upgrading their skills.

In 1986, the United States had 58 simulators for 98 units, and 21 in construction. In the FRG, a special school for the training of operators has existed since 1957, including a program of 701 lectures delivered over 1,000 hours. Simulators have already been installed in Hungary (which has had a nuclear power plant in operation since 1983), and a second simulator is being built in Czechoslovakia. Meanwhile, for more than 15 years, we have been engaged in discussions. We began by rejecting the offer made by the Nokia company in Finland, which subsequently participated in building the simulator in the city of Bacs, in Hungary, and now, for the past six years, uninterested "pseudospecialists" from the Energetika Association have been conducting talks with the USSR.

We are no longer providing scientific or design services to the nuclear power industry. The reasons for this are at least two. The first is that the scientific and design services provided to the nuclear power industry are a supplement to services provided to the conventional

power industry or work in the area of nuclear research. The same approach has been adopted by all organizations. A department of nuclear energy was added to the Thermal Energy Department of the university in Veliko Turnovo. The Nuclear Research Institute of the Bulgarian Academy of Sciences added the words "nuclear power industry" to its name but assigned only 20 of its 450 members to deal with such problems. The same approach was taken by the Sveti Kliment Ohridski University in Sofia, by Energoproekt and the Institute on Thermal Technical and Power Industry Machine Building. Descriptive terms are being added to the names, and groups of specialists are being assigned, although they are not specialists precisely in problems of the nuclear power industry. As a result, there is no national scientific policy or strategy whatsoever. We are patching up and resolving problems "piecemeal," wherever things are "hot," or in such a way as to earn various bonuses. A characteristic example of this is Energoproekt, which is the basic organization in Bulgaria responsible for solving all scientific and engineering problems that arise.

For many long years, the view prevailed in our country that there was nothing we could do, and that what was being offered to us was good enough. The lack of specialized institutes in our country is also one of the reasons for the exceptionally low share handled by the Bulgarian machine-building industry in the growing nuclear power industry in our country. We can no longer postpone the creation of at least two independent organizational structures for applied scientific research, design, engineering, studies, and analyses in the area of the nuclear power industry.

The statutes and organizational structure in the area of the nuclear power industry are a precise copy of typical models of the command-administrative system in its most conservative aspect. This model was rejected by even the USSR. It is characterized by absolute centralization in solving even minor social problems. The list on the basis of which cars are issued must be approved by the Association (today the Committee for Power Industry). Basic organizational problems, such as assigning association specialists to a foreign country, must be approved by the chairman and the chief expert of the committee; the same applies to proposals for specialization and attending courses abroad, not to mention the lack of substantiated rather than artificially fabricated economic interrelationships, incentives, and regulations. Despite its impressive title, the leadership of the Atomna Energetika Economic Trust in Kozloduy in practice lacks basic rights enjoyed by even the smallest enterprises. It has no right to pursue an independent economic, social, or personnel policy consistent with the specific nature of the work in the nuclear power industry. This is one of the reasons for the difficult situation concerning the personnel at the power plant and for the unsolved social problems in Kozloduy.

Despite the five changes in names that have been made over the past five years, the power industry has remained

the only sector in which absolutely nothing has changed in the nature and structure of the work. The cadre structure has remained the same; the number of personnel has not been reduced; some individuals, noted for their incompetence and who were compromised a long time ago, have not been dismissed. Council of Ministers Letter No. 63, dated 4 June 1990, changed nothing. The main argument continues to be that the power industry must be under central control and management by the state because otherwise there might be a crisis, or a catastrophe, or whatever.

The sinister memory of the winter of 1985 as well as real economic inconsistencies in price setting for power carriers also helped to halt any progress toward a new structure that would be subordinated to a significantly greater extent to economic mechanisms and freed from command-administrative diktat by an incompetent machinery.

Various models of development of the structure are possible. The main, the mandatory, element for all of them must be granting administrative and economic autonomy to all major energy producers. The basic part of the investment policy and the distribution of electric power could remain a state monopoly. Naturally, here, as well, alternate solutions are possible. The implementation of such a conversion in the nuclear power industry must be undertaken immediately, considering the urgent need for exercising a competent scientific and technical, social, cadre, and economic policy. This must be a policy exercised by competent specialists with proper rights and corresponding responsibilities. No solution exists other than for the nuclear power industry personnel themselves, with the help of the state, to solve the problems of the nuclear power industry. Our past sad experience proves this point.

The problem of control over the entire cycle of designing, building, and operating projects within the nuclear power industry is of exceptional importance. In our country, in this matter, as well, the situation is as it is in many other areas: We appear to have one, whereas we in fact do not. For many years, the Committee on the Utilization of Atomic Energy for Peaceful Purposes (KIAEMTs) was an organization that was engaged in performing distribution (distribution of the benefits obtained through the International Atomic Agency, such as assignment, courses, specializations, and so forth) and representative functions in dealing with the respective international organizations. At least this was the case in the nuclear power industry. The nuclear reactors kept operating, KIAEMTs watched over their operation from Sofia, and its concern was not to displease the Energetika Association with its actions.

Of late, with the intensification of social activeness in both KIAEMTs and the Committee for Power Industry, things seem to have started budging. KIAEMTs is displaying substantial activeness and persistence in dealing with a number of problems. Naturally, it is still quite far

from really performing its functions as a national regulatory authority. KIAEMTs has neither the necessary personnel nor the necessary budget. Let me point out that the regulatory authority in the United States has an annual budget of hundreds of millions of dollars: \$401 million for 1987, \$428 million for 1988, and \$423 million for 1989. The corresponding committee in Germany employs some 500 specialists. The number of specialists employed by our KIAEMTs is lower by a factor of 10. It has submitted proposals to the Council of Ministers concerning structural and cadre changes. It is extremely necessary for such proposals to be finally approved by the Council of Ministers. Although they will not solve all problems, they would be a step in the right direction. Without them, without an independent competent expert evaluation and control over the nuclear power industry at all the stages in its development, it would be impossible to pursue its further development and exploitation.

### Legal Aspects of Computer Marketing

91BA0286A Sofia 168 CHASA in Bulgarian 15 Jan 91  
p 5

[Article by Pencho Kovachev: "There Are No Prisons for Thieves of Computer Products"]

[Text] The pupils of the holy brothers Cyril and Methodius created the Cyrillic alphabet, but our "specialists" invented Cyrillization.

The Dekart stockholding company was registered on 4 July 1989. However, this has nothing to do with the national holiday of the United States. It is the eighth consecutive company that came into this world after the publication of Ukase No. 56, which, although it has thousands of stipulations, provided an opportunity for clever and enterprising people: Eight young teachers working at the Laboratory for Computer Mechanics and Mechanotronics of Sveti Kliment Ohridski University in Sofia, undertook to develop their own applied program products in the field of computer graphics; software products that automated designing, engineering, and drafting activities; and so forth.

Today the Dekart company has a solid market and is popular in England, Germany, the Soviet Union, Poland, Singapore, and other countries. In our country, it has set up some 20 branches and seven laboratories dealing with ecology, sociology, surveys, and statistics. It is also developing its own chain of stores for software products, electronics, and consumer goods, and is preparing to open its own publishing house.

Today there are more than 400 software product companies in the country. This not only does not frighten the people of Dekart but it also stimulates them. However, what worries company president Boris Bekyarov is that Bulgaria still has no proper chamber of commerce or a collegium of companies working in the same area. On the other hand, because we are in the period of an initial

accumulation of capital, there are people who are prepared to do anything for the sake of money. Some companies resort to disloyal and unethical activities in the competitive struggle.

For example, the Dekart company worked for three months on an original advertisement, both in terms of text and presentation. The ad appeared in some of our most prestigious newspapers, which, naturally, included 168 CHASA, and interest in the company immediately increased and a number of contracts were signed. All of a sudden, an ad was placed by another company with an almost identical text and appearance, which is inconceivable in the civilized world.

What is even worse is that we still do not have a copyright law regarding the development of software products and systems. The consequences of this are exceptionally damaging, and we are bound to feel them after a while, like the consequences of Chernobyl.

Western companies categorically oppose the shipment of their software products to our country. Software is a commodity that is very easily duplicated. The absence of a law in our country allows anyone to steal and use someone else's ideas and labor, at will. This is a form of plagiarism, which, however, is neither prosecuted nor punished.

In practice, any programmer in our country can buy a Western program in which approximately 30 to 40 man-years have been invested. This is a great deal of labor invested by huge scientific collectives. Reports and documentation could be translated into Bulgarian—that is, the program could be duplicated! Then this program could be put on the market under a different name, duplicated, and yield millions of levas in profit.

The lack of a copyright in software activities does not encourage the development of domestic Bulgarian programs but, conversely, helps the stealing of someone else's labor and the accumulation of easy profits. Western computer intelligence is helpless, again due to the lack of a law. The most the companies can do is to forbid their programs to be exported to Bulgaria.

The absence of a law violates our own software business also because we are losing our best specialists, who go West because they have no way of proving themselves in their own country. The serialization of foreign programs is a routine operation and does not offer the opportunity for creative development. It is thus that we are continuing to lose some of our best technical intelligentsia, although programming is one of the three professions most in demand in the world.

Recently, after thousands of speeches, the Grand National Assembly relaxed some of the lethal stipulations of Ukase No. 56 by providing some tax facilities and upgrading sponsorship and patronage. However, the list of draft laws to be passed did not include the law on software copyright. Perhaps by the time the law is

eventually promulgated, there will still be specialists left in our country to be pleased by it....

### Ignorance of Modern Agricultural Methods

91BA0290A Sofia DUMA in Bulgarian 1 Feb 91 p 5

[Article by Professor Dr. Khristo Mermerski: "We Have Fallen Behind in Farming Not Only in Terms of Technology But Also in the Way of Thinking"]

[Text] We are living in stormy times, not only in our sociopolitical life but in our agricultural one, as well.

In the course of arguments, passions very frequently prevail over reason, as a result of which, occasionally, even basic truths cannot be seen. What am I referring to?

In the past 10 to 15 years, a number of articles were published in the press that zealously criticized me for disseminating and experimenting with soil protection and resource-economical technologies.

I did not answer the criticism in the hope that my opponents would study global experience and see for themselves that not only should they not fight against such technologies, which have become routine practices in many countries throughout the world over the past 20 to 30 years, but they should also engage in a joint effort to search for ways to quickly adapt them to our conditions.

Now, however, I realize that it is high time to try to convince not only my opponents but also the specialists, and that if we fail to see what scientists in the United States, Australia, Italy, France, England, and other countries have created, we will continue to be the poorest country in Europe, permitting ourselves to spend several hundred percent more in tractors, fuel, men, machines, and time per unit of output.

I believe that it is high time, particularly now with the energy crisis, for all of us to understand that it is a crime to cultivate the soil 10 to 12 times (as is currently the case) before corn has been sown, or six to seven times before the planting of wheat. In Europe, only Romania, other than Bulgaria, allows itself such a luxury, for which reason its situation resembles ours.

We are one of the few countries in the world that, regardless of insufficient rainfall, plant annually 1-2 million decares of secondary crops, after plowing, disk-ing, cultivating, and so on, as a result of which we spend millions of kg of fuel, seeds, fertilizers, preparations, tractors, machinery, and men for zero crops. We are applying a technology according to which, instead of preserving many nutritive residues, we burn them down in order to eliminate the mice.

It is again we who, within a single vegetation period, trample with tractors and agricultural machinery our fields more than 20 times annually. This has led to irreparable damage, such as a tight packing of the upper stratum, soil erosion, the worsening of microbiological

activities in the soil, and so forth. This has made the use of huge amounts of fertilizer necessary—compensation for our stupidity.

All of this has been followed by soil oxidation, a reduction of the amount of organic substances in it, and a lowering of its fertility. The consequences of such actions have caused not only ecological but also economic damage. This is why foreign currency returns for most of the exported farm products do not exceed 30-40 percent. Yet, it is a known fact that we cannot sell at a loss and still prosper. Given this situation, the hope of the new government that the salvation from our current state lies in farming is futile because, in real life, it is the nation that has been able to find the shortest way to the production of a maximum of agricultural commodities with minimal expenditures that prospers. Unfortunately, we are far from this path, and it is unlikely that we will reach it soon because, for the past 15 years, the winners in the battle for the use of soil-protection and resource-economical technologies have been the supporters of the technologies of the 1950's and the 1960's. The result is that poor Bulgaria is producing goods that are two to four times more expensive in terms of fuel and machinery, as compared to the United States. Actually, what does this specifically apply to?

In its report three years ago, the Agricultural Academy announced that minimal or zero cultivations were responsible for the oxidation of the soil, the lowering of organic matter, the multiplication of mice, and so forth. Those same people who contributed these "facts" to the report are unfamiliar with the fact that, in the United States, Canada, Australia, and elsewhere, more than two tons of cornstalks, more than one ton of wheat stalks, and so on, are spread on the surface of the soil every year. This contributes to the increase in the amount of organic matter in the soil and reduces acidity. This improved fertility, whereas, in our country, it was precisely the opposite that was happening. Anyone who knows farming realizes that, should we continue to apply such technologies, in no more than 10 years, large areas, particularly in southern Bulgaria, will become semi-deserts, as a result of which the development of efficient farming will become impossible. In drafting its report, the academy was unaware of the fact that the author of minimal cultivation was not I but the previous leadership of that same academy.

Thirty to 40 years ago, a unique experiment was conducted under the auspices of the Agricultural Academy, the purpose of which was to study the influence of the depth of cultivation of soil on wheat yields throughout the country (with its entire soil variety), involving the participation of hundreds of scientific workers and specialists. On the basis of many years of experimentation, their unanimous conclusion was that, with cultivation of the soil to a depth of 6 cm, yields are between 4 and 45 percent, and, in the case of resiniferous chernozem, as much as 76 percent higher than if the soil is plowed to a depth of 18-22 cm. All such data were published in the *Monograph on Wheat in Bulgaria*. No one doubted or

doubted these facts. Nonetheless, in the 1970's, the main preparation of the soil for the autumn crops involved plowing the soil to a depth of 18-22 cm, followed by disking and harrowing.

This shows that, with lower yields ranging between 4 and 76 percent, we used between double and quadruple the number of tractors and agricultural machinery and between double and quadruple the amount of fuel, manpower, labor, and time, ignoring scientific results. Consequently, we not only failed to learn from the experience of others but also are unwilling to learn even from our own experience.

Despite these results, for the past 10 years, the inspiring slogan of the academy has been "shallow cultivation, low yields; deep cultivation, high yields," without being specific about the type of crops and soils to which this referred.

"Zero" cultivation is one of the most resource-saving technologies, exceptionally suitable in the case of droughty areas and light soil types subject to water and wind erosion. This means that the soil is not cultivated and that the sowing is done with special machines. It is already being applied on a mass scale in the United States, Canada, and Australia. In states such as Maryland and Delaware, in the United States, this method is applied to more than 75 percent of the soil. In Australia, areas directly planted are being increased by 5 percent annually.

No one who has traveled in northeastern Bulgaria has failed to notice huge white spots on sloped terrains. These are areas deprived of their upper stratum, with exposed base rock on which, in some five to 10 years, not even thorns will grow, whereas, in Illinois, which is flat as a pancake and whose highest elevation is 87 meters above sea level, soil-protecting technology is being applied on over 80 percent of the area, in the course of which 30-60 percent of the plant detritus remains on the surface to prevent erosion. We categorically reject this and, at the present time, not only do not apply the method but also are not even studying it. Deliberately or not, an ecological, technological, economic, and social pogrom has been committed against our farming.

When we speak of resource-economical and other technologies consistent with nature, we must bear in mind that all agriculturally developed countries aspire to apply them as earnestly as they can and have come very close to this objective. Only thus can we understand why no more than 2.2 percent of the U.S. population can produce so much output that 60 percent of it is used to meet domestic needs and 40 percent is exported, whereas we, with 22 percent of the population employed in agriculture, will die of hunger. Those 2.2 percent employed in farming are issued quotas for the production of milk, meat, tobacco, vegetables, and so on, with surplus amounts fetching prices lower by a factor of two or three.

Moving in the opposite direction in the use of resource-economical technologies, we have fallen behind the

United States, for example, by 40 to 50 years. At a huge cost, we are obtaining minimal yields. With such results, it is impossible to live richly, and we can expect no more than a miserable existence.

If necessary, I could point out other technologies I have been accused of advocating. However, even those I described should suffice to make one realize that we have fallen far behind not only technologically but also in our way of thinking.

All of this is sad food for thought because we not only are unprepared for the application of resource-economical and nature-enhancing technologies but, moreover, have anathemized them in our newspapers and periodicals. It would be suitable to recall a thought expressed by the former U.S. President Reagan: "Poverty is the most just punishment for incompetence."

The purpose of this article is not to insult my colleagues. It is to remind the Council of Ministers, the parliament, the Ministry of Agriculture, and all political forces that farming is the salvation of our economy.

## CZECHOSLOVAKIA

### Alternative Sources of Oil Discussed

91CH0322A Prague RESPEKT in Czech 27 Jan 91  
pp 4-5

[Article by Petr Janyska: "If the Faucet Is Turned Off"]

[Text] Up until 1990 Czechoslovakia imported 16 to 17 million tons of oil annually and exclusively from the Soviet Union. It did not buy it from any other supplier and there was not any other way or place to get imports. The Soviets were paid for the most part in goods and the prices were set within the CEMA framework. The quantity imported was sufficient for all domestic consumption, including the chemical industry, and we even exported the slight excess (in the form of diesel fuels, heating oils, polymers, etc.). Despite the fact that last year the Soviets again promised 16 million tons, by the end of the year the Czechoslovak Government had managed to get hold of only 13.2 million tons. This meant the end of any exporting of diesel fuel and oils and the petrochemical industry limited its production exclusively for the domestic market. A small quantity of gasoline was imported from the West and for the first time the Adria pipeline was used with 150,000 tons of Iranian crude flowing into the Czechoslovak refineries.

### To Come Up With 6 Million Tons...

What is our situation this year? The only long-term contract that we have is with the USSR and that is now a dead issue. Otherwise we will have to try to make whatever purchases we can. "Today oil is bought only with cash on the barrelhead," says Eng. Emil Czako, departmental director of the Czech Ministry for Economic Policies.

What amount can we at least count on for this year? We have a promise from the Soviets for 7.5 million tons, of which 5.5 million are to be paid for in hard currency just like to any Western supplier. We will be able to pay for only the remaining 2 million tons with goods.

But where are we going to get the at least 6 million other tons? "Today it is hard to pin down the delivery of a large quantity of oil for a year ahead," says Eng. Jan Finferle of the Ministry of Foreign Trade. The government is doing some tough bargaining for those 6 million tons. Because of the economic chaos in the USSR it is necessary to look for sources other than the Soviets. For example, we could get 3 to 6 million tons from Iran if, of course, we can pay for it. Iran is willing to sell us half a million tons by clearing (that is, a method of goods for goods where the accounts are settled at the end of the year and the debtor party pays the difference), but the rest has to be for cash in hand.

According to the data of the Czech Ministry of Industry, there was an agreement reached with that country for 105,000 tons for January, 113,000 tons for February, and a projected 3 million tons for the entire year, all to be delivered via the Adria pipeline. We will still be short at least 3 million tons, however, which the government will try to get wherever it can.

### ...And Also To Pay for It

Finding it is (for now) not a problem; the difficulty is paying for it. Until the occupation of Kuwait, oil was selling at \$18 a barrel and after the occupation it jumped to \$30. To buy the necessary amount of at least 11 million tons (we will, as we have said, pay the USSR for 2 million tons with goods) we would today need at least \$2.3 billion. The annual expenditures for oil even now, however, represent 60 percent of all our foreign currency income and the amount of \$30 is a ceiling for us.

The course of the war in the Persian Gulf will have a basic influence on the development of prices. If it did not last longer than a week, the prices might even drop, but if it will last longer then prices will increase. After the occupation of Kuwait and the blockade of Iraq, one of the most important oil exporters, the other exporters reacted to the reduced supply very flexibly by increasing their extraction so that there is today sufficient oil on the market and its price is not increasing.

With a longer conflict there could, of course, be shortages showing up and according to experts' estimates the price could jump to \$40 to \$80 a barrel (that is, \$280 to \$560 a ton). This would, of course, "give such a blow to our budget that we would never recover from it," says Eng. Czako. According to other Western experts, on whose analysis Minister V. Dlouhy relied on Friday, 18 January, on Czech Television, perhaps oil would not exceed the ceiling of \$30.

We cannot get along without oil, even though already we cannot pay for it out of our own pockets. Where can we get a loan? The international currency fund promised us



\$1.6 billion (plus \$0.2 billion compensation for the effects of the Iraq blockade on our economy) and we are counting on another billion from a group of 24 industrialized countries, of which we are so far sure of about half.

We also have a promise of a quarter of a billion dollars from the World Bank, but this is supposed to be used for capital investments and not for the purchase of raw materials. And the experts soberly estimate that by the end of this year we will have to come up with another \$2 billion for buying oil. From whom? Perhaps from the Swiss and other banks. The government has a tough nut to crack.

### Three Scenarios

How much oil do we really need and to what level would it be possible to reduce our consumption? It would only be logical for the economy to start with conservation technology, but according to the experts nothing like this has yet taken place in Czechoslovak industry. This, even though, it is the only rational approach for reducing our dependency on imports without drastically limiting the lifestyle to which we are accustomed.

Just how much oil do we then need to import at a minimum? We have already said that consumption over the years has fluctuated around 16 million tons and that last year it dropped to 13 million tons.

The federal government recently discussed three possible scenarios for developments.

Importing 13 million tons, which would be, in the experts' words, the "steady, stable" state which would not affect the market directly, but processing capacity would be operating at 60 to 70 percent.

Importing 11 million tons, which is, according to the deputy of the chemical plants in Litvinov, Eng. J. Svoboda, "the minimal, but critical allotment for our economy to run on." Most likely there would be an attempt to preserve the production of gasoline at the expense of the petrochemicals. Heating oil would be scarce, but it would be possible to replace this with natural gas and the petrochemical industry would still be able to operate (at the so-called technological minimum).

Importing 8 to 9 million tons would, according to Eng. Czako, result in a "rationing system similar to a wartime economy." It would be necessary to regulate the sale of fuels by coupons (the current average monthly consumption is 56 liters per car), petrochemicals would operate at a total minimum, and the shortage of diesel fuel would have a tragic effect on agriculture, construction, and transportation.

At even lower imports some operations would start to close down and at a level around 5 million tons, the catastrophe level, no private vehicles would be driven and gasoline would be only for ambulances and supply vehicles.

### Adria

What would happen if total chaos broke out today in the Soviet Union and we did not receive even a ton of oil from there? Without regard to ideology, we would have lost the sole supplier who can provide us with a sufficient quantity of that raw material. It would be a catastrophe and the consequences could not be compensated for elsewhere. Obviously we would be on our knees.

How can we import the essentially necessary millions of tons of oil? We have no ports, it is possible to haul only finished products (gasoline, diesel) by rail or tanker trucks and only in quantities not exceeding thousands of tons. We do not in any case have that many tanker trucks available and moreover this method of transportation is very expensive. The sole solution is an alternative oil pipeline.

Under the previous regime all oil flowed through one faucet, the Druzhba oil pipeline (with a capacity of about 20 million tons annually, which was never fully utilized). In addition, in the 1970's construction was begun on the Adria oil pipeline from Rieka [Yugoslavia] through Hungary to Slovakia (it empties into the Druzhba pipeline at Tupa). It was put into operation in 1980, originally intended for Iranian crude oil, but Czechoslovakia (in contrast to its southern neighbors) never imported a single ton of oil through it.

That was until last year, when the new government imported those 150,000 tons in an effort to make up for the Soviet shortfall. We are supposed to pay a penalty to the countries through which the pipeline runs for the years of not using it; the matter is being discussed and the Hungarians and Yugoslavians have met us halfway and are letting the oil flow through to us. Of course, not for free; we pay the two countries about \$7 a ton. "The charge is higher than for the West European pipelines," says Eng. J. Finferle. But we have no other choice.

The greatest weakness is that the Adria has a top capacity on Hungarian territory of 11 million tons, of which the Hungarians take half and we thus can use only the remaining 5 million. This, as the only alternative source that we now have available, is far from being enough. There is consideration, so far only very vague, of upgrading the pipeline and pumping stations and expanding the holding tanks in Hungary and Yugoslavia, as well as here in this country, but all this would take a very long time. As far as the Adria is concerned, we plan on signing a contract for 3 million tons with the Hungarians and Yugoslavs for this year.

### Hungary

What is the situation with our neighbors Poland and Hungary, likewise connected to the Druzhba pipeline? It appears that they are in much better shape than we are. Hungary has a consumption of around 8 to 9 million tons. Each year it has purchased 6.5 million tons from the USSR and it has a promise of only 1 million for this year. However, it has its own oil fields from which it can



extract 3 to 4 million tons annually and besides the Druzhba it has the other pipeline, the Adria, with a capacity of 5 million tons. Its own resources plus the Adria thus are enough.

According to an employee of the trade representative in Prague, Hungary "rejects the idea that it would not be able in the future to import an adequate quantity of oil." In the case of an acute crisis, however, it also has emergency plans to reduce consumption; sell gasoline in quantities of 20 liters per month, for example; and close down the highest energy-consuming production lines like cement plants, glass works, and fertilizer production. It supposedly has a one-month supply of petroleum and petroleum products.

### Poland

According to data from an employee of the trade section of the Polish Republic, Poland last year imported 11 million tons of oil from the USSR (for rubles) and 3 million from the West (part from Iraq as payment for claims). The Poles are not exclusively dependent on the Soviet pipeline since they have ships and the Gdansk terminal for transferring oil. They do not need an alternative pipeline, and moreover they can acquire supplies from any country (whose oil is similar to the Soviets', such as Norwegian or Saudi Arabian). Recently, however, they are still considering the construction of a pipeline from Norway through Poland to Hungary; the Norwegians would obviously put up credits for the overall extent of the construction. And in addition the Poles have in the eastern part of the country a gigantic field of gas and oil (supposedly enough for 80 years, although it lies at a great depth, as is the case in Texas), and extraction would therefore be too expensive for the time being, and Poland moreover does not have the proper equipment.

Poland today differs from us in one other aspect; there is already in existence a network of private gasoline stations and private gasoline importers who last year, according to estimates, supplied 30 percent of all the gasoline sold. One of them, Mr. Gavronik, has property valued at hundreds of millions of US dollars and recently bid to import 9 million tons for the government; the USSR confirms delivery of 7.5 million tons for this year.

### The European Oil Pipeline

By what solution then can Czechoslovakia succeed in extracting itself from total dependency on the Soviet oil pipeline? Since the beginning of its existence the new government has been striving to hook up with the European system of oil pipelines TAL, which is fed at Trieste and runs through Austria and Germany close to our borders. Despite the fact that the project has advanced quite a bit, it will not be of any help to our independence in less than a couple of years.

Consideration is being given to our hooking up to the TAL pipeline in Austria in the town of Schwechat, close to Vienna, and laying a 60-km-long pipe to Slovnaft

Bratislava (at times there has also been thought given to connecting the Moravian Klobouky as well). The Slovak Government is already carrying out intensive negotiations with the Austrians and, according to information from an employee of the Slovak Ministry of Industry, the Austrians supposedly would pay for the construction of 50 km of pipeline on their territory and the Slovak party to the agreement would finance only the remaining ten. If the oil pipeline was to be connected to the Druzhba in Klobouky, it could be used in both directions and also transport Soviet crude oil to them in Austria or further to the west.

The project plans on making the connection at the end of this year and starting up operations at the beginning of 1992. There is, of course, one catch; because of the capacity of the TAL on Austrian territory and the quantity of crude which the Austrians take from it, Czechoslovakia would have at the most 4 million tons available. Even with the maximum capacity of the Adria it would still not be enough.

### Ingolstadt, the Final Solution

There is therefore feverish work going on with another possibility, connecting into the TAL at the German city of Ingolstadt (north of Munich) and running a pipeline around Plzen to Kralupy (the original project was to go to Zaluzi). According to Eng. Babka of the Ministry of Industry of the Czech Republic [CR], its length would be 325 km, of which half would be on German territory. The costs are estimated at 450 to 500 million German marks and credits are expected from both German and Czechoslovak banks.

By the end of the month, a study is supposed to be finished which will evaluate and request the construction, which should be completed in 1994. It will obviously be possible to use the pipeline by as early as the end of 1993, but definitely not before then.

Besides the price, there is great difficulty in the fact that before construction it will be necessary, according to Eng. Czako, to buy up the land in each country from about 30,000 persons or companies. In the case of the worst crisis, according to sources at the Castle, our armed forces could carry out the entire construction project in half a year, but of course there remains a question on the part of the Germans regarding the preservation of the rights of the landowners there.

And the capacity? At the beginning it would amount to around 5 million tons and then in the final phase up to 10 million tons annually. Thus only after three years, when we would be able to use both connections to the TAL and the Adria, would we be able to relax. Until that time we cannot relax completely.

The last possibility, in reality the most extreme situation, is to ask for a connection to the product pipeline of the NATO armed forces which transports gasoline and diesel fuel. Its pipes terminate in Bavaria, far closer to our borders than the current TAL. However, this is pure

hypothesis usable only in the worst possible case and its capacity would make it only a very limited solution.

For almost three years we will still be strategically very dependent on Soviet oil (and gas); if their deliveries stop during that period, it would obviously put our economy in distress.

The previous regime did not build any capacity for strategic reserves and so today we therefore have crude oil for only a couple of weeks (and gasoline for 14 days' normal consumption). The Western countries usually have stores for half a year and it will take us another two or three years before we build up "shock supplies" with a planned capacity for three to six months.

Today we can only hope that in the next few years there does not occur any apocalyptic turning off of the spigot and that the government will be capable of proceeding vigorously enough so that we can definitively cut the umbilical cord called Druzhba as soon as possible. As is well known, politics was forced to follow the economic imperative. The CEMA could cease to exist, the Warsaw Pact can fall apart, and if we have only the Druzhba, we are more vulnerable than we are willing to admit.

(The author thanks all the experts for their information, particularly Eng. Emil Czako, CSc., director of the branch policy department of the Ministry for Economic Policy and Development of the CR.)

## HUNGARY

### Official Examines 'Struggle' Over State Property

91CH0377E Budapest MAGYAR HIRLAP  
in Hungarian 14 Jan 91 p unknown

[Article by government economic cabinet chief Bertalan Diczhazi: "The Struggle Over State Property; Confused Ownership System; The Ministry of the Interior May Become 'Contaminated'"—first paragraph is MAGYAR HIRLAP introduction]

[Excerpts] Changing the economic system may prove to be more difficult than the changing of the political system. Why? Professionals explain this issue in different ways. In this article Bertalan Diczhazi, the government's economic cabinet chief, presents his view. Diczhazi claims that the combined total effect of expanding collective self-ownership, of fetishizing autonomous governmental property, of rehashing the corporate state model, of a lack of entrepreneurial preparedness, and individual responsibility is steering the country in the wrong direction. [passage omitted]

The large parties seated in the parliament have reached a consensus concerning the goal of establishing a predominantly private ownership based market economy. The means by which this goal is to be attained are through privatization, liberalization, antimonopolistic measures, and foreign trade which rests on uniform foundations. Among these, dismantling of state property is the slowest

and most difficult process because ownership reform and privatization exert a fundamental effect on the transformation of conditions of power. This then means that a rather serious struggle has begun for the acquisition of state property and for sharing income produced by privatization. Thanks to the pragmatic approach taken by the Antall cabinet, privatization of state entrepreneurial assets has been progressing at the appropriate pace. No moratorium has been proclaimed, i.e., the processes have not been suspended. Redistribution of so-called nonprofit state assets between the state treasury, autonomous local governmental bodies, churches, public purpose associations, and foundations will radically accelerate in 1991 as a result of legislation to be dealt with by the parliament in early 1991. These laws will serve as foundations for the distributions of assets. In my judgment, the government acted extremely fast in drafting the appropriate laws. Nothing happened with respect to the privatization of arable land due to the freeze on land sales. The law pertaining to compensation, and amendments to the law on cooperatives will provide opportunities for the transfer of arable land into private ownership.

### Proudhonist Arguments

The economic systems change is being threatened. Following the change of government, certain views based on principle and ideology, as well as to the related interest groups had gained strength. These groups continue to argue in support of advantages provided by true communal ownership (collective enterprise ownership, autonomous governmental property, etc.) in contrast to state and private ownership. In part, disputes are cloaked as principles by nonverbally conveying arguments supportive of Proudhonist (not Marxist) socialism. In part, one hears pragmatic arguments claiming that the state is not capable of privatizing and that instead of the state, enterprise collectives and autonomous local governmental bodies will function as good masters and will privatize.

In the following passages I will detail the trends which endanger the rapid evolution of private ownership.

### Collective Self-Ownership

A dispute concerning the composition of enterprise councils evolved in conjunction with the new election of these councils. The government viewed enterprise councils as temporary, transitional structures, to be continually discontinued in the course of privatization. Consistent with this view, the government recommended minimum changes in the composition of enterprise councils, and aimed at strengthening enterprise management by allocating two-thirds of the slots to management. In contrast, the Alliance of Free Democrats and Workers Councils demanded a 66-percent representation of physical workers in enterprise councils, which would replace the 50-percent-plus-1-person representative ratio. This would have enabled the evolution of a genuine workers' self-management structure and the

undermining of management's power. The SZDSZ [Alliance of Free Democrats] pursued a purposeful propaganda campaign to mobilize workers for the "reacquisition of factories." This workers' self-management structure would have hindered privatization in its foundations. Several theories support this belief. Only a fundamental antiprivatization worker attitude could have evolved from the "as long as we acquired the factories, why sell them?" principle. Similarly, a strengthened workers' collective ownership institution would obviously agree to the sale of a factory only if such a sale was not accompanied by a reduction in force but by a general increase in wages. These conditions would have greatly decreased the selling prices of the factories, or would have rendered privatization impossible.

One cannot tell whether SZDSZ leaders had given sufficient thought to all of this. During the 1980's, Karoly Attila Soos, one of the leading SZDSZ economists, advocated Yugoslav-style self-management, while Tamas Bauer represented the ideal of workers' self-management. In my view, self-management concepts were valid in the party state context. But in the framework of a civil state controlled by the parliament and the press, arguments that were supportive of collective self-management dead-ended. Even in the 1980's everyone was not enthused about the self-managed enterprise structure. Marton Tardos and Gyorgy Matolcsy, among others, felt that it was necessary to establish an organization concerned with ownership, in order to separate ownership functions from management functions. One should state here that the government proposal was harshly criticized even within the Hungarian Democratic Forum [MDF]. The MDF's movement wing [as published] proposed that directors be selected on the basis of votes cast by all workers in direct elections. Many recommended that all enterprises be placed under state administrative management, however, this idea was rejected by the cabinet on professional and political grounds.

### Fetishizing

Prior to the free elections, the ownership reform concept of transferring an overwhelming majority of the state's entrepreneurial assets to local autonomous governing bodies had been linked primarily to Laszlo Kotz. Under this concept local autonomous governing bodies would operate enterprises like good managers; they would perhaps privatize the enterprises. This view was supported only by the Hungarian People's Party. The MDF left wing did not object to this concept either. However, this structure did not enjoy substantial political support. Following the change in government, while debating the law on local autonomous governmental bodies and after the local elections, the opposition launched a strong campaign to ensure that local autonomous governing bodies received substantial entrepreneurial assets in the course of dismantling state property. In its August 1990 ownership reform thesis the government announced that assets related to the activities of local autonomous governmental bodies will be transferred to local authorities.

Such property includes real estate, buildings, small plant enterprises, plants financed by the state budget, local health care, educational and cultural institutions, etc. previously managed by the councils. The government made it clear that other assets could also be transferred, provided that local governmental bodies agreed to finance the state's indebtedness. But the government did not recommend that local authorities take this path.

We should state here that situations in which local authorities dispose of entrepreneurial assets are not at all characteristic of Western states. Entrepreneurial assets of autonomous governmental bodies in the West mainly consist of real estate, such as buildings, while the volume of enterprise and business assets is minimal. The revenues of Western autonomous governmental bodies consist of central subsidies and local taxes.

Despite this West European experience, local governmental bodies, the parliamentary opposition, and middle-of-the-road intellectual circles launched a strong offensive to permit local governmental bodies to carve out a thick slice from the state's entrepreneurial assets. I regard this ambition of the local governmental bodies as dangerous. Several theories support this view. Ownership by autonomous governmental bodies is just as inefficient and wasteful as ownership by the state. Accordingly, it has no validity. By no coincidence, this form of ownership was also unable to compete with private ownership in Western market economies. For this reason, this form of ownership is not characteristic of Western market economies. In the event that an autonomous governmental body intends to privatize, it runs a high risk of simply consuming the resultant sales revenues. Then again, sufficient professional, business, and financial experience needed for privatization cannot be found at the local level. This lack of experience would raise the threat of the squandering of property. It is no coincidence that in the course of spontaneous privatization, the greatest scandals involving prices evolved around units of commercial and hospitality industry enterprises which, from a formal standpoint, had been established by councils.

### Dangerous Division

Relative to state enterprises, I regard the idea of distinguishing between "structures" and "land" within the overall concept of real estate, and of transferring land to the ownership of autonomous governmental bodies as being rather dangerous. Unfortunately, even the Ministry of the Interior has become contaminated with this idea. Dividing real property in this way presents extreme technical difficulties and is very harmful. This concept is virtually unknown in the West. Presumably, advocates of this idea wish to adopt the Russian proprietary system, where all of land was owned by the Czar, and the communist-socialist legal system, where land belonged to the state and only management rights belonged to someone else, to the market economy. In my judgment, this solution would only serve to confuse the ownership system.

## POLAND

### Assessment of 1990 Economic Developments

91EP0272D Warsaw ZYCIE WARSZAWY in Polish  
28 Jan 91 p 4

[Article by Agnieszka Wroblewska: "What Sort of Year Was It?"]

[Text] The Central Office of Statistics [GUS] made a tally of 1990, the year the market was born, subsidies ended, inflation was stifling, and there were mood swings.

What sort of country do we have after this breakthrough year? Monthly inflation has been brought down from over a dozen and some percent to just a few percent. The budget deficit has all but been eliminated. The domestic market (overall) is in equilibrium. Production has been expanded, and commerce has increased. There is greater export and less consumption. The socialized sector has shrunk. The private sector is growing. We are very open to the world but still not very competitive. For young, active people the country offers a wider range of ways to live, but unemployment is increasing in the nondevelopmental areas. There are always oranges and ham for sale, but it is becoming harder and harder to find an apartment of one's own.

### How Many of Us Are There, and Where Do We Work?

At the New Year there were 38.2 million Poles living in Poland, 158,000 more than the year before. The population can be further broken down as follows: people of employment age represent about 57 percent, youth about 30 percent, and older people about 13 percent.

The national economy employed 16.5 million people, more than a half million fewer than in 1989, although employment declined by 950,000 in the socialized sector, while it increased by 400,000 in the private sector.

In December 1990, 6.1 percent of the vocationally active population was registered as unemployed, women comprising just over half. The increase in unemployment showed a clear decline in December, with the promulgation of the law making people who had not worked somewhere at least six months out of the past 12 months ineligible for benefits.

Two hundred fifty strikes were registered in 1990.

### National Product and National Income

The gross national production in 1990 was about 12 percent lower than the previous year. Created gross national income in the material production sphere declined by about 13 percent compared to the previous year. GUS estimates the drop in consumption at about 24 percent.

Nonetheless, although this is a very substantial decline, it is far from the catastrophic 40 percent which was widely reported in Poland on the wave of the election campaign. The value of production in socialized industry actually declined by about 21 percent during the year, but it increased by 17 percent in the private sector. In agriculture, it was about three percent higher.

The decline in national income and production is not the same thing as a decline in the population's standard of living. Krzysztof Lutostanski, GUS deputy chairman, says, "You have to remember that statistics do not take in everything. They do not count declines in people previously earning empty money or buying on the black market. Taking into account the unknowables that our statistics do not count and looking at the country's situation, we can say that the population's living conditions did not deteriorate as much as the drop in national income would indicate."

### How Much Did We Receive? How Much Did We Spend?

Overall throughout the year, the population's buying power was 18.2 percent lower than in 1989. The average monthly wage in the socialized economy in 1990 was about 1 million zlotys, or nearly 400 percent more than the year before.

Sixty percent of employees received below-average remuneration. Seven percent of all employees received wages below half the average pay, while four percent of the employees in the questionnaire sample earned double the monthly average. Men earned 30 percent more than women. Among those vocations with the highest pay checks were miners (167 percent the average), economists, including managers of economic units (157 percent), and then, pilots and navigators, engineers in technical professions, and steel mill workers. The vocations with the lowest pay checks were hair dressers, laundry workers, dyers (68 percent), restaurant servers, cooks (74 percent), and, similarly, sales people and clothing industry workers.

The number of retired people and annuitants increased by 4.1 percent, but retirement pay in 1990 averaged 669,400 zlotys. In the socialized sector, retirement pay averaged 65 percent of average employee wages paid (compared to 58.1 percent in 1989). Mean real retirement pay and employee annuities in 1990 were at the 1989 levels, while real monthly earnings in the five basic sectors of the economy were 30.7 percent lower.

During the third quarter of 1990, food expenditures accounted for 60 percent of total expenditures. In households with incomes above 900,000 per person, only 41 percent went for food. As food expenditures increased, clothing, housing, culture, sports, and recreation expenditures were reduced. We spent just about half as much on clothing and footwear. From eight to 12 percent of our earnings went for housing and furnishings, but only about five percent of what we earned went for education, culture, sports, and the like.

At the end of November, the population had more than 5.5 million foreign exchange bank accounts with savings of more than \$5.5 billion, that is, over a million more than at the end of 1989. Owing to the stability of exchange rates, the share of zloty resources increased and, by the end of the year, were already nearly 70 percent of the total amount of deposits. Bank accounts grew, while less money was stored under the mattress. In December 1990, the mean level of the population's cash resources amounted the equivalent of 55 days' expenditures.

### The Market and Prices

In 1990, after years of shortages and empty shelves, the consumer market became balanced, mainly as the result of reduced demand.

The socialized sector's market share fell from about 82 percent in 1989 to about 66 percent in 1990. Meanwhile, the private sector's share of overall sales increased in value by just under five percent to 26 percent. The number of private sales outlets more than quadrupled. We are talking here about registered outlets, because statistics do not include street vendors.

The impact of the sudden jump in prices in January and February was influential in bringing about the relatively high rate of inflation. Retail prices increased on average by 4.6 percent on average during the next 10 months.

Between December 1989 and December 1990, the greatest price increases were noted in grain products and pasta (430 percent). There were also substantial increases in the prices of fish and fish products (up 370 percent) and fruits and fruit products (350 percent). The prices of meat and meat products, as well as dairy products, increased somewhat less. Sugar, fat, and honey prices increased at a slower rate. Among alcoholic beverages, beer prices were noted to increase the most (3.8 percent), while the price of pure spirits doubled.

The nonfood group exhibited the greatest price differences. Fuel increased 10.3 times, footwear constructed of man-made materials 7.5 times, and soaps and detergents 5.8 times. The price of clothing tripled. Services increased the most in price. Charges for heat and electric power rose 8.8 times. Construction-renovation services rose 6.7 times, health services 6.4 times, and housing 6.1 times.

The year 1990 was the third in a row that the number of new housing units signed over for occupancy declined.

### Exports and Imports

Imports showed an impressive increase, especially those to the hard-currency payment zone, increasing by 40 percent in relation to 1989. In this way, the FRG became our major trade partner, exceeding the USSR in both exports and imports. Trade with the ruble-based countries declined in just about all product groups.

Liberalized regulations stimulated the foreign trade operations of all sorts of firms and companies. The most active in importing goods were the civil companies and physical parties, which accounted for 58 percent of imports. Because small freight had previously not been considered worthwhile, imports that had previously languished in warehouses began to increase at midyear.

Some completely new phenomena occurring in our economy eluded our traditional statistics and will surely continue to do so. The example of small freight in foreign trade, now counted in a different way, astounded our statisticians. Small, active importers did not import raw materials for large-scale industry. They mainly imported color television sets, computers, fuel oil, and used automobiles, as well as coffee, citrus fruit, cosmetics, cigarettes, and chewing gum, in other words, those things which so visibly enriched the offerings on our market in 1990. We therefore have these small, vital firms to thank, among others, for the fact that Poland has become a somewhat different country following 1990.

### Inflation Greater Than Initial Expectations

91EP0274B Warsaw RZECZPOSPOLITA (ECONOMY AND LAW supplement) in Polish 5 Feb 91 p 1

[Article by M.Sz.: "Prices Growing Faster Than Anticipated"]

[Text] We may say without exaggeration that prices are a topic which is of interest to everyone. Unfortunately, the statistics of price growth for January projected by the Ministry of Finance were not confirmed. As Dr. Jerzy Chabros, adviser to Deputy Prime Minister Leszek Balcerowicz and research associate of the Institute of Finance, said at a seminar organized on 4 February by the Polish Foundation for Personnel Promotion—Center for Management Information, it is estimated that this statistic amounted to 12.3 percent. The projection for February calls for 7 percent, and for March—3 to 4 percent. In the course of drafting the 1991 budget, it was assumed that in 1991 prices would increase by 52 percent on the average. Projections to date indicate that this growth is going to be higher, although it is difficult to predict by how much.

Reporting on assumptions for the price policy in the current year, Dr. J. Chabros stressed that the scope of using official prices will not change. They apply to only 3 percent of producer supplies. However, they apply to 11 percent of goods in the so-called group of household products and services, including drugs, some communal services (such as central heating and hot water), as well as rents for communal apartments. This year, an indicator of maximum growth of contract prices will not be set.

He said that apparently the PPWW [tax on above-the-norm growth of remunerations] which has caused so much controversy will have to be maintained at the rate of 0.6 in the first quarter.

Incidentally, as RZECZPOSPOLITA has learned unofficially, negotiations concerning the future of the PPWW straitjacket are underway. Unfortunately, we cannot provide further details because the negotiations are shrouded in secrecy. We promise our readers that we will provide any information on eventual changes as soon as possible.

During the above seminar devoted to the issue of prices, the provisions of a new law on prices were presented. The new law is supposed to replace the law in effect for nine years now which does not conform to the new principles of economic operations. This draft law will soon be submitted to the Council of Ministers. If it is confirmed by the government, it will be referred for consideration to the parliament. The principle of the free setting of prices by economic entities, such as corporate persons and individuals, is the basic provision of the draft. The notion of contract prices will be replaced with the notion of free prices. Official prices will be the only restriction on the freedom of price setting.

Among other things, the duty to display and mark prices of products will protect the interests of buyers and those using services. In cases when an official price applies, this fact should also be marked. Besides, prices should be reduced if product quality deteriorates, the weight of a product is reduced, or a service is rendered to an extent smaller than agreed upon when the price was set. The draft provides for penalties for violating the provisions of the law, such as mandatory price reductions and refunds of funds not due.

#### **Liberal-Democratic Congress: Economic Program**

91EP0243A Warsaw GAZETA BANKOWA in Polish  
No 3, 20-26 Jan 91 pp 1, 5

[Article by Witold Gadomski: "The Party of Economists Is Taking Power"]

[Text] The new government, formed by Jan Krzysztof Bielecki, will continue the policy of its predecessor. Its continuity is assured by the presence of ministers of state from the previous administration in the present cabinet, and chiefly of Deputy Premier Leszek Balcerowicz. However, most of the economic ministries will be headed by new people linked to chiefly the Liberal-Democratic Congress, one of whose leaders is the new prime minister. The Congress party has been nicknamed "the party of economists." On the Polish political scene it is distinguished by promoting economic programs whose professionalism is not questioned by anyone.

The attainment of such great influence in the government by this, after all, relatively small party is due to a combination of circumstances. Today it is difficult to assess the power of discrete political parties; the elections to local governments demonstrated that, in principle, no party can on its own win over a majority of the electorate. The fact that the Congress party has joined the government, and in such a strong representation at that,

is due to two circumstances. First, the Liberal-Democratic Congress had supported Lech Walesa in the presidential elections, believing that he can create political conditions serving to accelerate economic changes in the direction they desire. Second, the competences of the Liberal-Democratic Congress on economic issues were appreciated.

The program planks of the Congress party presented in mid-November and, as always, focusing on economic issues, attempt to maintain a balance between the need to continue the economic policy of the previous Administration and the need for acceleration, to be accomplished in a manner such as not to forfeit the positive effects of the Balcerowicz Program. It can be assumed that the Bielecki government will try to translate into reality at least some of these planks. Hence, they merit more attentive consideration.

The program of the Congress party has its own philosophy, with three characteristic elements. First, the focus is to be placed not on general solutions but on diversity and details. The Liberals advocate a well-known program for privatization through the issuance of stock coupons, but they do not regard it as a panacea for transforming property relations. They are more interested in details (for example, the formation of a capital market, investment funds, the creation of effective owners) than in slogans. Second, their explorations focus on the micro rather than macroeconomic scale. This enables them to reconcile without conflict the Balcerowicz Plan with the need for changes. Their program states, "The optimal economic strategy for Poland consists in correcting and reviving the Balcerowicz Plan rather than in discarding it. The initial, fragile as it may be, currency stabilization attained must be combined with antirecession thinking, bold institutional restructuring, and explicit incentives for enterprising individuals." And further, "We view as too risky the strategy of reviving demand by means of an unconditional liberalization of wages." The program of the Liberals points to the need for fine-tuning at the level of discrete enterprises, as well as for training managerial personnel and creating a financial infrastructure and a system of economic information. As regards privatization, they prefer specific rather than overall solutions. Hence the emphasis on small-scale privatization, which, according to them, is feasible within two years and will result in genuine changes, at least in a part of the economy.

Lastly, the third element of the philosophy of the Liberal-Democratic Congress is emphasis on social problems. Their program states, "The premise for the self-isolation of the [Mazowiecki] government is its unwillingness to maintain rapport with the society." This social approach ensues not from the fact that some of the Congress party's activists, including Prime Minister Bielecki, had been for many years activists and advisors of Solidarity, but above all, from a realistic assessment of the political situation. That assessment favors viewing the stances of the society and its resistance to glaring violations of principles of justice—here a

classic example is letting the nomenklatura become [major] owners of assets [in privatized state enterprises]—as a factor of fundamental importance to economic reforms.

This philosophy differs from that of the Mazowiecki government, except on one point. To wit, the Liberals reject, as did the government of Prime Minister Mazowiecki, a program for miracle recipes and hence also demagoguery. They fear a risky turnabout and hasty and ill-conceived measures.

The new government will find itself in a situation different from that formed in September 1989. First of all, it will not be the first non-Communist government in East Europe, and hence also at its start it will not be as rich in assets of confidence as that initially enjoyed by Tadeusz Mazowiecki. It is likely that in the next few weeks it will have to cope with a wave of strikes, growth of inflation, and the vicious circle of stagflation. However, in some respects its position will be more comfortable than that of the Mazowiecki government, which was formed ad hoc, with many of its ministers appointed fortuitously, and with a huge budgetary deficit that compelled it to give priority to exploring sources for funding state institutions (which had subsequently resulted in an excessive fiscalism). The nomination of Tadeusz Mazowiecki to the position of prime minister did not at all decide the direction of economic changes. Thus, the first three months had been spent on exploring the proper direction of these changes. In contrast, Bielecki will commence governing with a nearly ready economic program assisted not by Balcerowicz as a gifted academic theoretician but by Balcerowicz as an experienced economist with international prestige.

The problems facing the government will, however, force the prime minister to transcend the program of the Liberal-Democratic Congress. First, there is the need to also adjust the macroeconomic policy. The emphasis on microeconomic policy in the program of the Liberals is, despite everything, a manipulation of theory that enabled them to accept the Balcerowicz Program. However, private entrepreneurs, whose interest the Liberals desire to represent, demand, above all, cheaper credit, that is, a reduction in the loan interest rate, along with lower taxes, lower social security deductions, income tax exemptions for investments, etc., and this goes against the grain of the very principles of the Balcerowicz Program. This does not concern some unjustified demands or group egotism. It is simply that without that relief it will be difficult to foster private enterprise, and hence also the program for small-scale privatization may fail. But, if preferential treatment of the small-scale, private manufacturing and services sector—as practiced fairly universally in the world—is adopted, this would

mean a clash with the deputy prime minister [Balcerowicz], who has so far remained resolutely opposed to all such preferences.

This also applies to any wage adjustment measures. The growing strike wave is motivated by demands to alleviate—and in effect to abolish—the tax on excess wage increases. An alternative would be financial instruments providing strong incentives for savers. Creating such instruments is not feasible, and it is merely risky. The previous government, meaning the deputy prime minister [Balcerowicz], did not want to hear of any such solution, considering the risk as too great. A fundamental question is whether the new government will decide to explore other solutions than the tax on excess wage increases, and whether that exploration will be crowned with success.

Their sensitivity to social problems will not protect the Liberals from having to make a choice that is painful either to the public or to the economy. It will be necessary to update as soon as possible the law on unemployment benefits, in order not to strangle entrepreneurship. The previous government applied facile and...completely ineffective solutions. It was opposed to unemployment and tacitly approved the existence of money-losing enterprises. As the need arose, it dispensed generous subsidies, on priming the budget with revenues from [money-making] enterprises. As a result, the wages, especially in the poorly paid occupations, were not much higher than unemployment benefits. Breaking this vicious circle requires radical measures, which may result in an unemployment of several million, and in one openly admitted at that, rather than concealed as it is at present. The support for private enterprise professed by the Liberals may in reality prove to be much more difficult than it seems to the framers of their program.

The litmus test of the intentions and power of the new government will be the 1991 budget. The old government had drafted the annual budget in accordance with its philosophy of a substantial government till. Reducing taxes or granting exemptions or preferential credit to certain sectors would require slashing expenditures on broadly conceived social services. Such a measure could result in bigger demand and thus boost the economy but it would upset the fragile social and political equilibrium in Poland. However, the Liberals will not be able to avoid having to make this choice. Lastly, there is the only seemingly lesser problem of the shortage of mid-level civil servants. An activist economic policy (meaning deciding which subsectors or plants are to grow and which are not) requires competent officials who are not contaminated by corruption and who take decisions consonant with the national interest rather than with the interests of the groups to which they belong. "The party of economists" by now has a membership of nearly 1,000. That may turn out to be too many for an efficient functioning of the administration.



### **Voivodships With Delinquent Debts Listed**

91EP0272C Warsaw *RZECZPOSPOLITA*  
(*ECONOMY AND LAW* supplement) in Polish  
12-13 Jan 91 p II

[Article by A. K.: "Increase in Debtors and Debts"]

[Text] Units of the socialized economy owe the State Budget more than 3 trillion zlotys [Z] for last year's back taxes. Many taxpayers did not meet the end-November deadline to pay what they owed, thus increasing the debt in relation to the previous reporting period by more than 83 percent, or Z1.5 trillion, despite the improved effectiveness of debt execution during this period.

The Ministry of Finance analysis shows the budget's biggest debtor to be Warsaw Voivodship, with about Z1.3 billion [outstanding]. The largest share of this total is owed by the Polish State Railroads, which failed to pay the Z1.1 billion tax [penalty] due as a result of [excess] salary increases.

Gdansk Voivodship is in second place with a debt of Z256 million, followed by Lodz Voivodship with Z240 million, Katowice Voivodship with Z101 million, and then Poznan and Wroclaw Voivodships. There are also voivodships that owe the budget relatively small amounts, which do not really have much of an impact on the overall debt, but here the tendency not to discharge tax obligations is increasing mightily. For example, in Leszno Voivodship last year, the debt increased by 199 percent in relation to the previous year.

Among the firms that failed to meet the payment deadline are the M. Kasprzak Radio Plants, the main administration of Prasa-Ksiazka-Ruch [Worker's Cooperative Publishing House], the airports, Lamina Electronic Plants, and Prema Technical and Trade Center for Precision Industry.

The final quarter of last year also saw an increase of Z253 billion in total deferred taxes.

### **Regional Privatization Agencies Proposed**

91EP0272B Warsaw *RZECZPOSPOLITA* (*ECONOMY AND LAW* supplement) in Polish 14 Jan 91 p I

[Article by T.R.: "Privatization Large and Small"]

[Text] Janusz Lewandowski became minister of ownership changes in the government on Saturday. His counsellor and coworker, Jan Szomburg, presented his concept of privatization, including a citizen stockholder scheme, on 13 January, during a conference of citizens committees.

According to Jan Szomburg, the previous Ministry of Ownership Changes committed two errors: it did not appreciate the importance of small-scale privatization, and it was too slavish to large-scale privatization conducted according to British models. Placing small and medium-size plants in private hands may produce rapid

effects in the form of overcoming the recession within a year or one and one-half years. This step can be accomplished before a modern banking and insurance system is established and a scheme of specialized functions is created on the labor market, measures which will take several years, at least.

The human factor may prove to be the chief barrier to privatization. Small-scale privatization has not been prepared for adequately. It was a mistake to turn over to the gminas part of the enterprises that are commercial in nature rather than communal. The gminas are to run them. Each of them will have to learn how to do this, and this is a complicated task. Privatization and the creation of the largest possible number of companies will not always be in the direct interest of the local self-government either.

For this reason, Jan Szomburg is proposing the creation of regional privatization agencies. Where there are few commercial firms that are communal property, one agency in the voivodship is enough. Where there are more, there will be more agencies. This concept applies to about 700 companies overall, with 1,700 turned over to the gminas.

It will take about 500 to 1,000 people to create a system of decentralized privatization, and they will have to be trained. This is the reason for delaying the whole process.

Of the three roads to small-scale privatization, sale by competitive bid, creation of companies, and employee stock ownership, Jan Szomburg was decidedly against the last form, which he said was very popular at the moment. If this idea were to win out and most plants were privatized in this way, then we would still have a collective economy, and the effects of privatization would be spread out over several years. Giving support to enterprising people by granting them credit is a better solution.

The previous government's error in large-scale privatization was adhering to British models, which do not fit our conditions, owing to the shortage of capital and the fact we do not have a market economy system. Jan Szomburg's concept, called the citizen stockholder scheme, consists of giving the population free privatization bonds. Their value has not been established yet but will probably amount to several million zlotys for each citizen. It is also open to question whether all citizens will receive the bonds, or only adults, which would make it possible to simply draw up lists of people on the basis of voter lists. On the other hand, whether bonds could be sold at will right away or only at the end of a certain time would be a political decision.

As a liberal, Jan Szomburg sees the project of giving out privatization bonds as a morally correct concept giving an equal chance to all citizens, even those not working in factories. After the results of the sales of the stock of the first five privatized enterprises, we can see that this aspect is essential.



Adoption of the citizen stockholder notion will disperse capital, make it difficult for stockholders to control the enterprises, and [cause a problem for stockholders, who] lack the skill to invest bonds properly. Mutual investment societies, in which experts would decide on stock purchases, are to supply the remedy to this problem.

A shortcoming of the large-scale privatization being conducted is the delay in seeing positive results, which may not be felt for three to four years.

Jan Szomburg thinks that foreign capital's entry into Poland should spur privatization, because the private entrepreneurs will do better cooperating with partners abroad than the bureaucracy can, but if the rapid introduction of foreign capital is supposed to protect a plant from bankruptcy and increased unemployment, then he would come out in favor of giving up this principle.

### **Rising Costs of Beef, Dairy Products Noted**

91EP0272A Warsaw RZECZPOSPOLITA (ECONOMY AND LAW supplement) in Polish 12-13 Jan 91 p 1

[Article by Anna Sielanko: "More Expensive Meat and Milk: Wholesale Purchases Reduced, Subsidies Eliminated"]

[Text] For a couple of weeks following the holidays, the meat stores looked exactly as they had in previous years, with their naked shelves, empty hooks, and lines in front of the stores. Supplies of fresh meat and processed cold cuts have improved somewhat of late. Many shops have something to sell, but...at much higher prices.

The prices differ in the various new shops, but on average the price of ham has risen 5,000-10,000 zlotys, pork tenderloin has gone up 3,000-5,000 zlotys, and the price on lesser grades, such as various sorts of sausage, has increased somewhat less, but still by a couple thousand zlotys.

Milk and milk products have become more expensive during the past few days too, but skimmed milk and low-fat cottage cheese have all but disappeared from the market. The price of 3.2 percent butterfat milk has increased by about 800 zlotys per liter, while the price of full-fat cottage cheese has gone up 2,000 or even 4,000 zlotys. Sour cream is about 1,000 zlotys higher. Trade people cite the wholesale price increase dictated by suppliers to justify all these changes. The meager supply makes it impossible to give up buying from the most expensive producers. The profits set by the various shops, enterprises, and cooperatives have supposedly not changed.

The Sluzewiec plant supplies the market in the capital with the more expensive cuts of meat. Other processors, like the one in Mlawa, are promising higher prices on Monday. Why are the packing houses demanding more money for their products?

"The raw material forces us to raise our prices," Director Ryfka of the Sluzewiec plant explains. "We are paying about 13-14 percent more for halves and quarters, and the price of the raw material represents about 85 percent of the total cost. This was bound, therefore, to reflect on the selling prices of our products. The plant increased them from three to 14 percent, depending on the type of product. Link sausages, for example, went up seven percent, ground meat, three percent. At the company shop, pork tenderloin costs 37,900 zlotys per kilogram and boiled ham, 65,900 zlotys. Unfortunately, the raw material supply still is not adequate. Things have improved with pork, it is true, but we are still short of beef, which is essential for the production of luncheon meats."

The situation looks similar in other voivodships. PISIPAR's research shows that during the first third of January, wholesale purchases declined on average by 15-20 percent. The farmers are holding up deliveries, because they are still making price calculations to take into account the price increases on electric power, fuel, and so on. This fact had an impact resulting in packing house production declines averaging 26 percent, and there has even been a 60 percent reduction in luncheon meat production, temporarily. The pork situation is gradually normalizing. On the other hand, there has been a significant drop in wholesale purchases of young cattle, and there is no indications that this situation will improve soon.

The increase in milk prices was caused largely by the elimination of subsidies (as of 1 January) on the production of skimmed milk and cottage cheese, as well as the rise in wholesale prices. At the Wola Dairy, the wholesale price of skimmed milk is now 2,100 zlotys, but it turns out that this is not a profitable price for the company even so. It should be 2,300-2,400 zlotys per liter, but the dairy uses profits on other products to make up for the losses. Like many others in the country, however, the dairy has temporarily stopped supplying skimmed milk, because its new price must be approved by the treasury office. It may take three weeks to check the calculations. If the dairy were to produce skimmed milk at the old prices without the subsidies, its daily losses would probably amount to 50 million zlotys.

Going by the first examples, we can expect the price of skimmed milk to increase by 500 zlotys per liter on average and the price of skimmed cottage cheese to go up 1,500 zlotys per kilogram.

The present price increase still does not take into account the cost increase caused by the higher fuel and energy prices, according to producers. Further increases cannot therefore be ruled out.

On the other hand, after a great hike during the 4th quarter of last year, the price of butter has remained stable for more than three weeks. Imports of butter at lower prices have undoubtedly had an influence here.

but it is difficult to predict whether or not the current and anticipated milk price increases will also contribute to higher butter prices.

### Decrease in Food Product Consumption Noted

91EP0274A Warsaw RZECZPOSPOLITA (ECONOMY AND LAW supplement) in Polish 5 Feb 91 p II

[Article by M.Sz.: "How Much for the Market?"]

[Text] The level of consumption has declined. This has been the case especially with foodstuffs. Nominal money supply has been growing consistently. The supply of cash has increased by a factor of 3.7. The demand for goods and services has declined. Despite certain assortment and quality shortcomings, an overall equilibrium of consumer goods and services has occurred. In view of the repeated increase of the monetary funds held by the populace, the instability of some monetary and market processes points to progressive inflation.

Zbigniew Kopyra, director of the Department of the Production Sphere in the CUP [Central Planning Administration], told RZECZPOSPOLITA that this is how the supply of consumer goods last year may be summarized in the most general terms against the background of the economic situation.

Here are more specific data:

The volume of retail sales of goods in the socialized sector amounted to 195,807.8 billion zlotys and increased by 347 percent compared to 1989. The highest growth occurred in the volume of foodstuffs sales—by as much as 418.2 percent, and alcoholic beverages by 379.4 percent, whereas the sales of nonfood items increased by 302.2 percent.

The rate of growth of the sale of goods by units in the socialized sector was 72.6 points lower than the rate of growth of the monetary income of the populace. The former rate was also about 237.7 points lower than that of the growth of retail prices for consumer goods and services. For several months these ratios trended downward. However, a decline in the volume of retail sales persisted. On the other hand, sales in the private sector increased.

Retail trade entered the current year with the inventory of goods worth 12,399.1 billion zlotys (in current retail prices). Despite the growth of the value of inventory, a downward trend in volume emerged, especially in the last quarter of last year. Thus, compared to the previous month, the decline amounted to: two percent in October, 1.3 percent in November, and as much as 11.6 percent in December.

Inventories in trade have not been restored due to the growing incomes of the population and considerable growth in the volume of sales of goods.

Monetary spending for purchasing goods increased by 372.3 percent and amounted to 67.9 percent of the monetary spending of the populace. For comparison, the year before it amounted to 76.7 percent.

In the first half of last year, the purchasing power of the money supply declined by about 2.1 percent, the purchasing power of wages by about 8.6 percent, and the purchasing power of the real income of the populace by about 6.9 percent, whereas in the second half of the year these tendencies changed. The growth came to 4.4 percent, 5.2 percent, and 6.2 percent respectively.

We outline the supply (domestic output, plus imports less exports) of selected consumer goods in a table compiled on the basis of CUP data.

		Month		
Goods	Units of Measurement	June	November	December
		Cumulative Sales (Corresponding Period of Previous Year = 100)		
Cold cuts/processed meats	1,000 tons	320.0	634.0	706.0
	Percent	81.3	92.4	92.3
Milk for table use	Million liters	1,103.0	1,900.0	2,041.0
	Percent	83.3	78.8	78.5
Fresh cheeses	1,000 tons	54.2	111.0	118.0
	Percent	83.6	91.9	89.1
Macaroni	1,000 tons	25.0	51.3	63.9
	Percent	50.1	59.3	64.7
Electric vacuum cleaners	1,000	364.0	666.0	697.0
	Percent	91.7	84.0	82.3
Household refrigerators and freezers	1,000	313.0	678.0	756.0
	Percent	74.8	99.1	96.9
Bicycles	1,000	555.0	1,002.0	1,052.0
	Percent	84.3	81.6	76.9

		Month		
Goods	Units of Measurement	June	November	December
		Cumulative Sales (Corresponding Period of Previous Year = 100)		
Hosiery	Million pairs	107.0	195.0	230.0
	Percent	84.0	81.9	79.8
Fabric clothing	Million pieces	23.6	34.9	38.8
	Percent	82.2	67.8	66.6
Finished silk and silk-type fabrics	1,000 km	41.1	74.9	81.1
	Percent	60.9	67.1	68.3

### Ownership Transformation in Construction Slow

91EP0274C Warsaw RZECZPOSPOLITA  
(ECONOMY AND LAW supplement) in Polish  
5 Feb 91 p III

[Article by M.Sz.: "Construction Is in No Hurry"]

[Text] Construction is an economic sector in which structural changes and ownership transformations have proceeded at a very slow pace. As a matter of fact, last year was merely a period of preparation. Privatization actions were not a meaningful influence on changes in the organizational structure of enterprises for which the Ministry of Land Use Management and Construction is the parent agency.

According to data as of the end of the year, three enterprises are being liquidated: the Enterprise of Spare Parts Manufacturing ZREMB in Katowice, Transbud Kielce, and Repair Services in Kielce. The process of liquidation has not proceeded without difficulties. There are problems with the sale of real estate and liquidating warehoused stocks. Curative proceedings in another two companies, Stolbud in Ciechanow and ZREMB in Makow Mazowiecki, ended in decisions to liquidate them.

Fact-finding proceedings are under way at four enterprises. Transbud-Belchatow and the Sieradz Transportation Enterprise have not met their obligations to the budget, including arrears in payment of the dividend. Conclusions as to the future of the two companies will be made after a period of observation. In turn, explanations are being given to the proper treasury chamber concerning reasons and the amount of arrears in payments to the budget by the Transbud Forwarding and Technical Enterprise in Warsaw, one of the nine new companies formed after a split of the the Transportation and Heavy-Equipment Enterprise of Construction Transbud-Warsaw.

The Transportation and Heavy-Equipment Enterprise of Construction Transbud-Rzeszow is operating at a loss. It is not creditworthy, and the amount of its debt is growing. The division of the enterprise into six new ones was completed on 10 December 1990. The Ministry of Construction expects to resolve the financial situation of the enterprise after the sale of its support facilities. The

Polfa [enterprise] in Rzeszow is an important partner. Proceeds from this transaction will make it possible to settle obligations.

As a parent agency, the ministry monitors enterprises experiencing economic difficulties as a result of both a lack of funds and an inability to collect them. This applies primarily to entities which split in 1990. Therefore, the period of their independent existence is short. So far, the ministry has not interfered with their operations.

At the same time, the ministry closely scrutinizes enterprises which owe money to the budget. As of the end of December, there were 24 of them, compared to 30 in October and 105 in May.

One hundred and eleven enterprises have been turned over to the jurisdiction of the organs of local administration. It is estimated that this should create for enterprises better conditions for adapting their operations to the needs of the regions in whose territories they operate.

Surveys taken with regard to intentions to privatize indicate that 50 enterprises of the ministry have expressed their desire to be transformed into single-person partnerships of the State Treasury and 53 intend to privatize through liquidation.

Overall, in 1990 two enterprises were privatized: the Kielce Exbud (one of the five) and Mostostal-Export in Warsaw, which was transformed into a single-person partnership of the State Treasury. The Bydgoszcz Design and Research Bureau of Industrial Construction was liquidated under Article 37 of the Law on Privatization of State Enterprises, by leasing the assets to a partnership. Twenty-six entities have requested from the ministry the same mode of privatization. The collection of documents, review of the requests, and preparation of liquidation orders are under way.

In addition, as of the beginning of January of this year, nine enterprises filed petitions to be converted into single-person partnerships of the State Treasury.

Construction enterprises proceed toward privatization slowly. So far, they have taken at best a half step.

### Telecommunications Development in Rural Areas

91EP0275A Warsaw GAZETA BANKOWA in Polish  
No 4, 27 Jan-2 Feb 91 p 20

[Article by Iwona Rynkiewicz: "Telephones for the Countryside"]

[Text] When the Polish Telephones [TP] foundation was established a year ago, 9 February 1990, there was no way of predicting whether it would have a chance at playing a positive role in the changing of the telecommunications system in Poland. The initiators of the foundation, most of whom are authorities in the field of telecommunications, supported by businessmen, senators, and journalists, set their goal as the undertaking and support of activities to develop a telecommunications network in Poland. This goal will be achieved through such actions as participation in the legislative processes, the conduct of studies and scientific analyses, consultations, assistance in bringing together Polish and foreign partners, technical and organizational support for telecommunications projects, the organizing of training courses for persons employed or seeking employment in telecommunications, the arranging of symposia and scientific conferences, the integration of the Polish community connected with telecommunications, the promotion of the latest technologies, etc.

An opportunity to practically verify the efficiency of the foundation appeared last spring, when a group of specialists from the EEC arrived with plans to install telephones in the countryside. They came with concrete ideas and money, but were not met with particular interest on the part of pertinent state institutions. The TP foundation was the only one which presented its own program to expend the funds offered for the rural telephone network and its collaboration with the EEC began.

It must be admitted that the installation of telephones in rural areas is not popular anywhere, because it does not bring the profits that telephones in the cities do. There are not many countries, therefore, in which firms are eager to invest in this field without special financial incentives on the part of the state. That is why the EEC assumed the role of shaker and mover for the development of a rural telephone network, not only in the West, but also in the East European countries.

As part of the PHARE (Polish Hungarian Aid for Reconstruction of Economy) program, 6 million ECU [European Currency Unit] (approximately \$8 million) was appropriated to set up a telephone network in the rural regions of our country. The entire fund for Poland totals 200 million ECU and is available for several years. This money is put at the disposal of those firms or institutions which will implement the program approved by the EEC specialists.

The idea of the TP foundation was to create local companies which will invest in the building of a telephone network in their area, upon which they will then

become the operators of the network and derive income from it. The idea was accepted by the EEC, which announced that its input into these companies would be in the form of interest-free loans, to be repaid in time frames negotiated individually for each company. Thus, half of the initial capital was to be collected from local shareholders and the other half would come from PHARE funds.

During last year's vacation, it was announced in the press that a plan for installing telephones in the rural townships would be implemented in cooperation with the EEC and that those townships which were interested should apply to the TP foundation. It must be said that the applicants did not have an easy time of it. First, they had to come to Warsaw to pick up the questionnaires containing rather detailed questions which had been prepared for them, and second, they had to reply to these questions within two weeks. To the surprise of the foundation's employees, 249 questionnaires were returned, of which approximately 200 were completed very thoroughly. A commission composed of Polish specialists selected 60 questionnaires from those rural townships which, from their replies, appeared to be best prepared for this type of undertaking.

In the next stage of selection, 11 of the best applicants were chosen and then subjected to verification by the EEC experts. Eight were selected and verified on site by a mixed commission appointed jointly by the foundation and the EEC. Finally, three rural townships were chosen: Krzeszowice, Opalenice, and Sokolow Podlaski. Their companies submitted detailed plans for the functioning of a telephone network in their area. By the way, it should be added that in most of the cases which were investigated by the experts, the local companies had as their main shareholders the local postal-telecommunications offices. Thus, Polish Posts, Telegraphs and Telephones [PPTT] stood in the first ranks in the struggle to break up its own monopoly.

On 7 January, the solicitation of bids by Polish firms and firms from the EEC countries for the installation of digital telephone exchanges in the three above-named rural townships was announced. The final bidding date will be 4 March, and the bids must be all inclusive, i.e., they must cover installation of the exchange and getting it ready for operation by training employees in both service and technical aspects of operation. All of the engineering on the networks must be completed by the end of this year, and they should be ready for operation by the middle of next year.

Thus the local company becomes the operator of a network which it also owns. It has the right, therefore, to fix installation and operation fees on the basis of its own analyses. It is true that it is not possible to conduct an accurate financial analysis of such a venture, but it can be assumed that the connection of 4,000-5,000 numbers will guarantee its profitability. In order for the company to achieve a profit of 20-30 percent, the average monthly

receipt from one subscriber should be about 150,000 zlotys. One service line, on the other hand, costs \$1,000.

Despite the fact that Polish telecommunications is in the very beginning stages under the new law and there are no executive regulations, no rules for the division of profits among the operators, etc., the joint program of the TP foundation and the EEC appears to be good for everyone involved. Should it be successful, the EEC will gain experience which it can use in other countries. For the rural townships selected, the success of the project will be an end to trouble with telephones. It can also mean the beginning of a new stage in the development of these centers.

For the companies themselves which become local operators, the modern digital telephone exchanges which will be furnished them will create all kinds of possibilities for additional profits. The exchanges are equipped to offer additional services, such as automated secretarial services, voice mail, automatic wake-up calls, call forwarding, and memory dialing.

From the standpoint of PPTT, the local telephone exchanges are not a threat at least as long as it is a shareholder in the local companies. Without almost any investment outlays (PPTT's input to the companies is assets-in-kind in the form of the existing infrastructure), it obtains new customers.

There is also the advantage that half of the investment outlays are coming from outside the country, and one of the conditions for submitting a bid is that the potential of Polish industry must be used in the execution of every investment. This makes it possible for our own production and service plants to earn money.

The foreign firms that submit bids can also apply this experience in direct contacts with other possible clients, become acquainted with the Polish market, and possibly come into this market with a broader bid. These transactions, which will be the result of bidding, will be safe for foreign suppliers because they are partially financed by the EEC, which also oversees them.

## YUGOSLAVIA

### Pregl on Government Budget Plans

91BA0339A Belgrade VREME in Serbo-Croatian  
25 Feb 91 pp 8-9

[Interview with Zivko Pregl, vice chairman of the Federal Executive Council, by Roksanda Nincic; place and date not given: "Patience Until the End of March"]

[Text] In the shadow of the meetings of all the Yugoslav presidents, the FEC [Federal Executive Council] is also holding talks with representatives of republic executive councils on the minimal conditions for Yugoslavia to be able to function until the ultimate agreement on the arrangement of one, two, or more states on this soil.

Zivko Pregl, vice chairman of the FEC, spoke with VREME about the progress of the intergovernmental talks.

[Nincic] Can you say with confidence that any of the FEC proposals will be carried out?

[Pregl] Everyone has an interest in the convertible dinar, the normal functioning of financial flows and the Yugoslav market, and control over personal consumption and social service expenditure. Nor has anyone disputed the process of the restructuring of property as a key matter in this entire process, nor the need for linear financial rescue of the banks—although most of the republics feel that linear rescue can be undertaken only along with individual rescue of the banks. And they have all accepted—although here I am least certain of sincerity—the openness of Yugoslav media space.

[Nincic] Has the FEC obtained any guarantees that the republics will honor an agreement on those matters?

[Pregl] There clearly are no a priori guarantees that the agreement will be honored. However, the logic of those items provides a guarantee that they will be achieved. The items were really chosen from a pragmatic standpoint. We began with dinar convertibility, which is attractive to all the Yugoslav republics and to the nationalities and ethnic minorities, and from there we merely enumerated the things which logically follow from that. The FEC, of course, proceeds on the premise that everyone in Yugoslavia has an interest in the discussion of the future arrangement of the state taking place in some normal and democratic atmosphere.

[Nincic] You mentioned the convertible dinar as the centerpiece which everyone wants. Yet simultaneously with the FEC's talks with the executive councils of the republics, more or less serious preparations are being made to adopt republic currencies.

[Pregl] While the dinar was convertible, it was easy for me to be ironic about the idea of having our own currency in Slovenia, where I come from, because the dinar has its position in the world, and many years will have to pass before any new currency achieves a similar position. However, the monetary blow has made that line of argument more difficult. That is why we are insisting so fiercely on the situation being restored to what it was, that is, for Serbia, which has taken the most, and also the rest who have taken less, to return that money. That is why we have now invented a mechanism for increasing the money supply in the first quarter, which was necessary anyway because of economic developments; that mechanism will deny access to the money supply to those who do not return all the money. It is also true that there will not be additional money from the outside world coming into the country, that there will not be credibility for talks with foreign trading partners, unless we straighten this out.

[Nincic] That was clear even a year ago, so that one gets the impression that the republic leaderships were particularly hurt by that.

[Pregl] Yes, but, you see, now those republic leaderships have new empirical experience. None of all the delegations which have been making the rounds of anterooms of world capitals have brought back money. My view is this: In the end, the world will always accept the facts, and so I believe that it would accept the independence of our republics, but not quickly, rather in five or 10 years, and that is the point—we have to live in the meantime. At the very least, the sensible thing is for us to agree on any decision in Yugoslavia. As an economist, I think that it is still more sensible for us to continue to live together, that the social costs of the transformation from a socialist economy to a market economy, from self-management democracy to real democracy, will be less if we do this together.

[Nincic] That is the thinking of many economists, but it is not the thinking of those in power, so what good does it do you?

[Pregl] I am certainly seized with bitterness that the former system was held in the hands of a relatively small group of people, so that the new authorities are rather short on qualifications. Put simply, the people who are in power now have not had an opportunity to gain experience, and that is obviously part of the price of the transformation which we must pay.

[Nincic] Do you think there is a danger of some republic dropping out of the intergovernmental talks, in that things go on for a while and then someone walks out of a meeting?

[Pregl] That is in fact the essential difference between the talks in the Presidency and in the FEC, although I would not make any comparison as to their importance. The discussion in the Presidency is more general, the political aspect is emphasized more. Our talks are more specific, and here it is becoming clearer and clearer to each of the partners how complicated a process it is to build a new state, or, as my fellow Slovenes say, to disassociate. It is well known that the Devil is to be found in the concrete: No one, then, can avoid these talks so easily because there are so many common institutions and issues—from foreign exchange reserves to debts. And no one is altogether certain what will happen if he avoids the talks, he might leave behind a gold bar in the foreign exchange reserves.

[Nincic] Nevertheless, it is not evident that anyone has begun to carry out anything of what you have managed to agree on.

[Pregl] We are dealing here with a package. People are waiting until the talks are finished even with respect to financing the federal budget, and only then will the conclusion be "released," and all the rest will follow. That will be in fact the biggest problem, although it must be viewed from two sides. One is that above all the Army is now pushed into an impossible position because the amount that went unpaid last year is really large. No one can expect that that money can simply not be paid. You cannot overnight leave any enterprise without money, even though it employs only 100 people. Some solution has to be found, there has to be some social welfare program. At the same time, we will have to walk through all the points in the budget together with the republics and radically reduce them because that is what the economic situation demands. But even here there will have to be a gradual approach, and that is also acceptable from a technological point of view.

[Nincic] How long might the agreement on the budget take?

[Pregl] It cannot take long. We "pushed" through the Assembly a law which extends the 1990 budget year to the end of March. So, we must finish by the end of March.

[Nincic] And what if you do not finish?

[Pregl] There is a clear answer in theory to that question: We would have to resort to printing money. The Federation has the legal power to do that, it is the only one which can borrow money over the short term from the National Bank of Yugoslavia to get through a shortage of funds. That money is taken from the global monetary limits, and that in turn means that what is taken for the federal budget cannot be given to the banks, since if it were given both to the banks and to the budget, that would be inflation. However, I do not believe that this government will agree to our financing the needs of the budget by printing money.

[Nincic] What will you do if you have no choice?

[Pregl] Well, it is all clear: We have offered those 11 plus three points which we feel are the minimum condition for us to be able to live and work. And if that is not accepted, then let the partners find someone else to do the housekeeping.

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